



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

China

**FBIS-CHI-89-228
Wednesday
29 November 1989**

Daily Report China

FBIS-CHI-89-228

CONTENTS

29 November 1989

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

UN Envoy on Disarmament, Internal Affairs [XINHUA]	1
Li Peng Interested in 'Key Joint Ventures' [RENMIN RIBAO 16 Nov]	1
Ren Jianxin Addresses Chief Justices Meeting [XINHUA]	2
JIEFANGJUN BAO on 'Peaceful Evolution' Scheme [7 Nov]	3

United States & Canada

Seminar on Radio Spectrum Use Opens [XINHUA]	6
Central Bank's New York Branch Grows [XINHUA]	6

Northeast Asia

Li Ruihuan Meets Japanese Business Delegation [XINHUA]	7
Japanese Trade Delegation Visits	7
Meets Zou Jiahua [XINHUA]	7
Meets Exchange Official [XINHUA]	7
Meets Trade Official [XINHUA]	7
Resumption of Japanese Visits, Loans Urged [RENMIN RIBAO 25 Nov]	7

Near East & South Asia

Workers Show Support for Palestinian Struggle [XINHUA]	8
--	---

East Europe

Qiao Shi Holds Talks With Bulgarian Leaders [XINHUA]	9
--	---

Latin America & Caribbean

CPC's Zhu Liang Continues Tour	9
Ends Brazilian Visit [XINHUA]	9
Arrives in Venezuela [XINHUA]	9
Ambassador to Colombia Visits Noriega	9
Colombian Networks Televises Series on China [XINHUA]	10

NATIONAL AFFAIRS

Political & Social

Further Reportage on Li Peng's Xinjiang Tour [Urumqi Radio]	11
Jiang, Yang Shangkun Meet Military Party Cadres [Beijing Radio]	11
Li Peng Approves Underwater Relics Regulations [RENMIN RIBAO 9 Nov]	12
Tian Jiyun Inspects Shandong's Huang He Delta [Beijing TV]	12
Song Ping Stresses Study of Marxism, Leninism [XINHUA]	12
State Council's Yuan Mu Speaks in Xian [Xian Radio]	13
Wu Xueqian Visits Shenzhen Tourist Exhibition [XINHUA]	14

Forum Discusses Law on Demonstration Rights	14
Television Coverage [Beijing TV]	14
Legal Experts Praise Law [XINHUA]	15
Procurators To Crack Down on Rioters, Embezzlers [XINHUA]	15
Editorial Views Importance of Thrift [RENMIN RIBAO OVERSEAS EDITION 29 Nov]	15
Series Continues on Jiang's National Day Speech	17
Deng's Socialist Theory [JIEFANGJUN BAO 4 Nov]	17
Inflation, Rectification Viewed [JIEFANGJUN BAO 4 Nov]	18
Rectification, Reform Viewed [JIEFANGJUN BAO 4 Nov]	19
Four Cardinal Principles Viewed [JIEFANGJUN BAO 4 Nov]	21
Health Minister Discusses Aids Prevention [XINHUA]	21

Economic & Agricultural

Chen Muhua Cites Foreign-Funded Firms Support [ZHONGGUO XINWEN SHE]	22
Official on Foreign Exchange Loans Regulations [RENMIN RIBAO 14 Nov]	22
Foreign Firms Urged To Apply for Import Licences [XINHUA]	23
Rules for Foreign Commodity Inspection Offices [XINHUA]	23
Large Firms Stalled by Financial Crisis [HONGKONG STANDARD (BUSINESS STANDARD) 20 Nov]	23
State Council Approves Streamlining Proposal [XINHUA]	24
Song Jian Addresses Technical Supervision Group	25
Stresses Quality Control [XINHUA]	25
Promises Supervision [XINHUA]	25
Article Views Rectification Efforts [BEIJING REVIEW No 48]	26
Commentator's Article Discusses Market Slackness [JINGJI RIBAO 7 Nov]	28
Official Views Inspection of 'Small Treasuries' [XINHUA]	30
State Adopts Measures To Reduce Car Stockpiles [XINHUA]	30
Tian Jiyun Gives 'Important' Agriculture Speech [XINHUA]	31
Tian Jiyun Stresses Stability of Rural Policy [XINHUA]	32
Tian Jiyun Promotes Chemical Fertilizer Plants [Beijing Radio]	32
Rural Economic Environment Faces Serious Problems [NONGMIN RIBAO 7 Nov]	33
Technology Improves Eastern Agriculture [XINHUA]	33

REGIONAL AFFAIRS

East Region

Fujian Revises Rules Protecting Women, Children [Fuzhou Radio]	35
Guangzhou Policewoman Executed for Taking Bribes [XINHUA]	35
Jiangxi Meeting Discussing 'Social Evils' [Nanchang Radio]	35
Jinan Standing Committee Relays Plenum Guidelines [Jinan Radio]	36
Jinan Military Region Considers Plenum Guidance [Jinan Radio]	37
Shanghai Vice Mayor Takes Deputy Secretary Post [Shanghai Radio]	37
Shanghai To Launch Development Project [XINHUA]	37
Zhejiang Standing Committee Hears Auditing Report [Hangzhou Radio]	38

Central-South Region

Guangdong Officials Study Plenum Communique [Guangzhou Radio]	38
Guangdong Starts 'Political Broadcasting Station' [ZHONGGUO XINWEN SHE]	39
Special Economic Zone Proposed for Guangdong [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 17 Nov]	39
Guangdong SEZ Establishes Export Network [XINHUA]	40
Guangdong Rural Businesses Continue Growth [XINHUA]	40
Guangdong Moves To Increase Foreign Investment [CEI Database]	41
Guangdong Grain Harvest Allows Reduced Imports [XINHUA]	41
Hainan Secretary Addresses Honors Ceremony [Hainan Radio]	41
Henan Radio Commentary Stresses Rural Policies [Zhengzhou Radio]	42
Hunan Meeting Sets Demands for Economic Work [Changsha Radio]	42

Southwest Region

Guizhou People's Congress Studies Plenum Spirit [Guiyang Radio]	43
Sichuan Begins Campaign To Combat Pornography [Chengdu Radio]	43

North Region

Beijing's Li Attends Meeting on Economic Crimes [BEIJING RIBAO 5 Nov]	44
Beijing Roots Out 'Unorthodox Party Members' [Hong Kong SOUTH CHINA MORNING POST 27 Nov]	44
Inner Mongolia Leader Speaks at Production Forum [NEIMENGGU RIBAO 27 Oct]	45
Tianjin Issues Rules on Meetings, Work Style [TIANJIN RIBAO 30 Oct]	46
Tianjin Reports Positive Trade Trends [TIANJIN RIBAO 28 Oct]	48

Northeast Region

Quan Shuren, Cadres Study Plenum in Liaoning [Shenyang Radio]	48
Heilongjiang To Rectify Wholesale Business [Harbin Radio]	49

Northwest Region

Li Ping Appointed Gansu Deputy Governor [XINHUA]	50
Qinghai Urges Screening, Rectifying Companies [Xining Radio]	50
Shaanxi Agricultural Program Achieves Results [XINHUA]	50
Shaanxi Province Achieves Bumper Grain Harvest [XINHUA]	50
Xinjiang Trains 1 Million Rural Young People [XINHUA]	50

PRC MEDIA ON TAIWAN AFFAIRS

LIAOWANG Speculates on Use of Force [OVERSEAS EDITION 27 Nov]	52
---	----

HONG KONG & MACAO

Hong Kong

Paper Views XINHUA Treatment of Issues [TANGTAI 25 Nov]	56
Civil Servants Face Nationality Dilemma [SOUTH CHINA MORNING POST 22 Nov]	57
Basic Law Drafting Committee Members Meet [XINHUA]	58
Editorial Criticizes Mainland's Subversion Charge [SOUTH CHINA MORNING POST 22 Nov] ..	58

Macao

Guangdong Hosts Banquet for Committee Members [Guangzhou Radio]	59
---	----

General

UN Envoy on Disarmament, Internal Affairs

OW2911041989 Beijing XINHUA in English
0111 GMT 29 Nov 89

[Text] United Nations, November 28 (XINHUA)—Chinese Ambassador Yu Mengjia today urged the international community to safeguard international peace and security by making arduous efforts and taking effective measures in four particular areas of common interest.

He said that, for the purpose of maintaining world peace and security, first, the disarmament process must be accelerated and arms race stopped, second, regional conflicts must be fairly and reasonably settled and regional "hot spots" eliminated, third, state-to-state relations must be properly handled, and fourth, a new international economic order must be established.

The ambassador, speaking at the first committee of the 44th UN session on the question of international security, pointed out that, while the international situation is moving from confrontation to dialogue and from tension to relaxation, "the improvement in the world situation does not make it trouble-free and many problems still await solution."

In the field of disarmament, he said, "even if the two superpowers have destroyed all their intermediate and shorter-range missiles, there is still the question of reducing their strategic nuclear weapons and other types of weapons."

"In order to secure international peace and security, no country should seek armament in excess of its defence need" and "the armaments of all countries should be used only for self-defence and not for armed invasion and intervention against other countries," he said.

Regional "hot spot" issues have not been resolved, he continued, and there are still many difficulties to overcome in seeking fair and reasonable solutions to regional conflicts, which have affected world peace and security, inflicting direct damage to a large number of Third World countries.

As to state-to-state relations, the ambassador emphasized that "attempts to interfere in the internal affairs of other countries through various means are still quite evident."

He said that "phenomena of the big bullying the small, the strong domineering over the weak, of interfering in the internal affairs of other countries...are still taking place frequently in international relations," and that if these practices are not stopped, there will be no tranquility and assurance for international peace and security.

On the world economy, the ambassador pointed out that "the economic situation of the developing countries

keeps on deteriorating, with the debt burden weighing down on them increasingly and the gap between the North and the South further widening."

All these phenomena indicate that the factors causing turbulence and tension in the world are still in place, making the safeguarding of international peace and security a major question of universal concern.

He said that China, which is always ready, together with other countries, to fulfill its obligations under the UN Charter and endeavour to strengthen the UN role in safeguarding international peace and security. [sentence as received]

Li Peng Interested in 'Key Joint Ventures'

HK2911023689 Beijing RENMIN RIBAO in Chinese
16 Nov 89 p 2

[Article by staff reporters Liu Xiao (0491 7197) and Mei Hongru (2734 3163 1172): "The Point to Which Premier Pays Attention—Sidelights on the Exhibition of Achievements of Foreign-Funded Enterprises in China"]

[Text] On 9 November, the day when the 5th Plenary Session of the CPC Central Committee came to a triumphant close, an exhibition showing the success of China's foreign-invested enterprises opened. In Beijing, the morning saw the first snow of the early winter. The China World Trade Exhibition Center located near the Lijiaoqiao at Dabeyao was brilliantly illuminated.

On 1 July 1979, China promulgated for the first time the Law of the People's Republic of China on Chinese-Foreign Joint Ventures. Ten years later, 850 foreign-funded enterprises situated on both sides of the Changjiang came to Beijing in neat formation to show their achievements.

At 10 am sharp, Premier Li Peng, accompanied by Chen Muhua, Zhang Jingfu, Zheng Tuobin, minister of foreign economic relations and trade, and others, cut the ribbon at the opening ceremony. Later, Li Peng visited the No 1 exhibition hall and the comprehensive exhibition hall on the 2d floor.

The comprehensive exhibition hall is situated in the center of the 2d floor. Li Peng showed great concern about the key joint ventures relating to energy, transport, communications, and others which constitute the foundation of the national economy. Li Peng looked carefully at the exhibition stands of the Shanxi Pingshuo Antaibao Opencut Coal Mine, the China National Offshore Oil Corporation (CNOOC), and the Beijing Matsushita Color Picture Tube Limited Company. The Pingshuo coal mine jointly operated by China and foreign businessmen is the biggest of its kind with an investment totalling \$650 million; the CNOOC is developing into a transnational corporation and has offices in Houston, London, Tokyo, and Hong Kong; and the Matsushita Company is famous for successfully introducing scientific management peculiar to Japan.

Li Peng paused at the stand of the Beijing Airplane Maintenance Limited Company, which is jointly funded by the Air China Company and the West Germany Han Sha [3352 5446] Air Company. Established on 1 August this year, it was one of the heavily invested enterprises set up after Beijing crushed the counterrevolutionary rebellion with a total investment running to \$980 million. Li Peng is greatly concerned about this project and met with the president and chairman of the board of the Han Sha Air Company several times when the project was under negotiation. To his knowledge, it costs \$2 million to send a major passenger plane to a foreign country for repairs. He closely inquired of General Manager Wei Er Nei Hu Pei [1218 1422 0355 5170 0160], of the joint venture, about his work. He also wanted to know how long it would be before the company could do repairs on major passenger planes.

Wei Er Nei replied: "We are preparing to build the biggest plane maintenance depot in China. The depot will be under construction next year. As soon as it is ready, we shall provide the intended service." He told Premier Li Peng that the company is now able to service Boeing 707, 737, 747, 767, and Tridents. Li Peng nodded, smiling. He was satisfied with the progress of the project.

The total expenses for building the Daya Bay Nuclear Power Plant is estimated at about \$4 billion, and they will all be covered by foreign loans. Since the site was finalized, Li Peng has been to Daya Bay five times for an inspection. When he came to the stand of the Daya Bay Nuclear Power Plant, General Manager Zan Yunlong went forward to greet him and shook hands with him. Li Peng asked about the quality and rate of progress of the project, and whether money was invested in the project as scheduled. General Manager Zan answered his questions one by one. Li Peng nodded and encouraged him by saying: "You have done well in the preceeding period. You have more work to do in 3 or 4 years to come, and you will shoulder greater responsibilities. It is necessary to continue working hard and to do a good job in building the nuclear power plant."

Optical fibre is the artery for modern long-distance communication. Two optical fibres, which are thinner than hair, will solve all the problems with the communication between Beijing and Shanghai municipalities. The Changlong Optical Fiber and Optical Cable Limited Company co-funded by the Hubei government and Philips Company of The Netherlands is a high-tech enterprise. The company has to import raw materials it needs, because China's technology is still below the prescribed norm in quality. Li Peng told the company's Senior Vice General Manager Qiao Bingren to contact the Shanghai Silicate Research Institute to study the possibility of manufacturing quartz tubes in China.

There were altogether three halls for the localities to display their products. Foreign-invested enterprises in Guangdong, Beijing, Tianjin, and other provinces and cities gathered together in the No.1 exhibition hall. On

display were a wide range of technology and products relating to and including agriculture, communications, packing, building materials, automation of work in the office, automobiles, bicycles, domestic electrical appliances, lifts, medicines, fashions, leather, shoe-making, food, beverages, cosmetics, ornaments, and toys. High quality and high grade samples were seen in a long colorful corridor. Li Peng was anxious to know whether the austerity policy would have an unfavorable impact on foreign-funded enterprises. He asked Tianjin's Deputy Mayor Li Huifen: Does (Orange Spot) [cheng bao 2892 1405] sell well? Do Beijing brand TV sets have sluggish sales? Li Huifen replied: "A number of problems have cropped up since the government limited the growth of money supply; the problem is more serious in the case of automobiles whose purchase is controlled by the government. But the products produced by foreign-funded enterprises are saleable on the whole, so long as they are good quality, and their prices are reasonable."

At about 1120, Premier Li Peng left the exhibition lobby. At the doorway he passed, pictures were on display showing party and government leaders Jiang Zemin, Deng Xiaoping, Yang Shangkun, Song Ping, Yao Yilin, Li Ruihuan, Tian Jiyun, Gu Mu, Chen Muhua and others visiting foreign-funded enterprises or receiving foreign investors, the pictures of Premier Li Peng were also among them. He left the lobby with the Chinese government's message:

"More foreign friends are welcome in China to run enterprises."

Ren Jianxin Addresses Chief Justices Meeting

OW2811205689 Beijing XINHUA in English
1528 GMT 28 Nov 89

[Text] Manila, November 28 (XINHUA)—Ren Jianxin, president of the Supreme People's Court of China, said here today that the people's courts in China have always set great store by the improvement of trial efficiency of various cases.

Speaking at the third conference of chief justices of Asia and western Pacific, Ren Jianxin said the Chinese courts regard as an important guiding principle in their adjudication the early conclusion of cases to alleviate the burden on the parties concerned.

He told the participants that most criminal cases tried by the people's courts at various levels in China can be concluded within the time period prescribed by law.

From 1985 to 1988, of all the criminal cases of first instance tried by the courts across the country, 95 percent were completed within legally specified length of time, and between January and August of 1989, the rate was 96.8 percent.

President Ren pointed out that the reason for the fairly prompt handling of various categories of cases in China is that China has "enacted a series of effective laws and

regulations on improving the efficiency of the administration of justice and has acquired some effective experiences through years of practice in the administration of justice."

However, Ren said, "with the rapid development in our socialist modernization drive and with the deepening of the reform and opening to the outside world, the people's court is still confronted with an increasingly heavy load of trial work."

"It remains one of our important tasks to solve the problem of delays in trial once and for all," he said.

To further improve their trial efficiency, he said, the people's courts in China are working to increase the number of judges and improve their ability to enforce the law, to comprehensively implement the principle of combining adduction of evidence by the litigant and collection of evidence by the court through investigation, and to gradually modernize facilities for handling cases.

President Ren said that the Chinese courts would like to carry out friendly exchanges with courts in foreign countries and improve work by drawing upon their useful experience.

He expressed the hope that friends from judicial circles in China and in the Asia-Pacific region will further develop friendly contacts, enhance understanding and friendship, and make positive efforts for peace, stability, development and prosperity in the region.

Ren Jianxin also answered questions from participants in the conference about the relationship between the court and the procuratorate, the function of the people's tribunal, and the significance of conciliation in China.

JIEFANGJUN BAO on 'Peaceful Evolution' Scheme
HK2211072089 Beijing JIEFANGJUN BAO
in Chinese 7 Nov 89 p 3

[Article by Qu Quansheng (1448 0356 4939): "Beware of the 'Peaceful Evolution' Scheme by Hostile International Forces"]

[Text] Speaking on the current international situation in his National Day address, Comrade Jiang Zemin particularly stressed the issue of preventing reactionary international forces from carrying out "peaceful evolution" in our country. He emphatically pointed out: "On this, the people of all nationalities and all party comrades around the country, especially the leading cadres, should maintain a high degree of vigilance." Recently, the leading comrades of the Central Military Commission also spoke repeatedly on this issue. Exposure of, vigilance against, and firm resistance to, the "peaceful evolution" strategy by hostile international forces is an extremely important task which confronts us on the political and ideological fronts.

The Origin and Development of the "Peaceful Evolution" Strategy.

A struggle between subversion and countersubversion has always existed between the Western monopoly bourgeoisie and the socialist countries since the day the world's first socialist country, the Soviet Union, was born. The subversion of socialist countries by Western reactionary forces has taken the form of strategies like armed aggression, economic embargo, and encirclement. After the failure of these strategies, they shifted their focus to a strategy of "peaceful evolution". Compared with other strategies adopted by the international monopoly bourgeoisie to subvert socialist countries, "peaceful evolution" is even more vicious, wicked, and more conducive to infiltration and deception. Hence, it poses a greater real danger to socialist countries.

The strategy of "peaceful evolution" was first proposed by the bigwigs of the monopoly bourgeoisie in the United States in the 1950's. At that time, the United States had just been defeated in the war of aggression it had initiated in Korea. In order to save itself from defeat, the United States issued a directive to its diplomatic missions around the world, urging them to "step up psychological warfare in dealing with rising communist threats." After 1953, the United States launched the anti-communist "Free Crusade" movement which allegedly "adopts peaceful means". Then, Secretary of State Dulles, explicitly proposed in a speech "the use of peaceful means" "to accelerate the evolution of government policies within the Sino-Soviet bloc" and "shorten the expected life span of communism." The "peaceful evolution" strategy by the international monopoly bourgeoisie thus formally came into existence.

In the 1960's, an American bigwig pointed out that socialist countries can "obtain their freedom" only through "peaceful evolution" and that it was necessary to "cultivate the seeds of freedom" in these socialist countries in order to "promote this gradual evolution."

In the 1970's, one U.S. president stated that it was necessary to make full use of modern telecommunications technology in order to spread the ideas and values of "freedom and democracy" and "promote" the "internal peaceful evolution" of socialist countries, thereby realizing the "triumph" of capitalism over socialism "without fighting".

As the world entered the 1980's, and peace and development became the two major issues in the development of the current international situation, the international monopoly bourgeoisie was forced to rely on "pacific" methods as the principal measures against socialism because armed intervention was becoming increasingly unpopular. Meanwhile, a bourgeois liberal ideological trend also appeared in the course of reforms and opening up in socialist countries. Under these circumstances, the international monopoly bourgeoisie stepped up implementation of the "peaceful evolution" strategy. A prominent figure in the United States declared that his country "is determined to see to the realization of

freedom in Eastern Europe" and that it would carry out a "revolution" to export the Western culture and value system "beyond the borders of the United States." Recently, heads of states of the United States and other European nations further proposed a so-called "policy of supra-containment." In other words, even as they maintain their military might and continue to be militarily prepared against socialist countries, they will resort to greater use of economic, political, and cultural measures to exert pressure over socialist countries with a view to promoting their peaceful evolution and eventual incorporation into the political and economic systems of the Western world. In the words of some Western bourgeois politicians, they seek to engage the socialist countries in a "new smokeless world war."

Practical Steps and Concrete Methods in Implementing the "Peaceful Evolution" Strategy.

"Peaceful evolution" and counter "peaceful evolution" is the full reflection of the struggle between the capitalist and socialist systems in the political arena and a unique manifestation of class struggle in the international forum. To stand undefeated in this struggle we need to know ourselves as well as our enemies and have a general understanding of the concrete goals, measures, and methods used by reactionary international forces in carrying out the "peaceful evolution" strategy. Generally speaking, there are two main features in the concrete implementation of this strategy:

1. Long-term planning and implementation in stages. The politicians of Western capitalist states are well aware of the fact that, with 70 years of history behind it, the socialist system has long been equipped with a strong ability to resist and fight capitalism. Given these circumstances, it seems unlikely that socialist countries could be toppled within a short period of time. Therefore, some politicians suggested that the best way to reach the goal of "peaceful evolution" was to carry it out in stages. In recent years they have focused on the distinctive features of each socialist state belonging to a specific region and type and mapped out long-term plans to be carried out in various stages. At the same time, they have seized every opportunity for gradual implementation of their plans. A former U.S. undersecretary of state proclaimed last year that the United States and its allies should seize "this historic opportunity" to "accelerate" the "transformation" of some socialist countries in Eastern Europe in a direction favorable to the Western world.

2. Overall planning with focus on specific targets. Following the establishment of the socialist system in some Eastern European states after the Second World War, some leading figures of the Western monopoly bourgeoisie like Churchill, proposed focusing the containment of communism in Eastern Europe. Some bigwigs in the United States today also strongly advocated "implementation" of "a specific individual policy" towards Eastern Europe so that the countries there could "respond to cries for freedom" and "become part of the free world." At the same time, the international

monopoly bourgeoisie also stepped up the infiltration and subversion of our country, regarding us as the biggest obstacle and principal objective in the realization of their "peaceful evolution" strategy. Back in 1958, Dulles had already warned the Western world that "Chinese Communism is a fatal danger" and called for "the use of peaceful means to bring freedom to all of China." In the 1970's, a ruling personality in the United States even predicted that "with the succession of one generation to another," "peaceful evolution" will eventually "take place" in China.

To accelerate the realization of the "peaceful evolution" strategy, Western reactionary forces have adopted extremely wily methods which may be summarized as follows:

- (1) Publicizing the politico-economic model, value concept, decadent ideas, culture, and lifestyle of the bourgeoisie and stepping up the "psy-war" offensive. Western reactionary forces understand that struggle in the ideological domain is ultimately the struggle for the hearts and minds of the people. Hence, they place great importance in psychological warfare. Dulles had once declared that the "Voice of America" and its other organs should "initiate the resistance of the people behind the Iron Curtain." A big shot in the United States even urged the use of such methods as "exchange visits", "exchange of books and publications," and "mutual broadcasting" to "gradually erode" the "foundation of the socialist system." In recent years, the U.S. Government has allocated \$1 billion to reinforce international broadcasting to socialist states in pursuit of its so-called "ideological infiltration and political influence" in these countries. Along with some financial conglomerates, it also allotted several hundred million dollars to academic institutions, experts, known personalities, and cultural organizations in order to carry out all forms of ideological and cultural infiltration in our country through them.

- (2) Cultivation of "corresponding domestic forces" in socialist countries and spreading "the seeds of freedom." In other words, they resort to all means in order to build up opposition parties in socialist countries that will then become the indirect tools used to implement the "peaceful evolution" strategy. Since Dulles first spoke of placing the hope for "peaceful evolution" in China on its second and third generations, important political figures in successive U.S. Governments have spared no efforts to see to the realization of this hope. Some of them claimed that it was necessary to "gradually, cautiously, and peacefully develop relations in order to cultivate the seeds of freedom" in socialist countries. Some went further to say that in order to counter "communist threats," "everything" should be done to provide "assistance in finance and security" to "freedom fighters" overseas. In recent years, the United States has, through various means, secretly roped in and openly supported people engaged in bourgeois liberalization and even funded such reactionary organizations as the Alliance for

Democracy in China in an effort to make sure that the "peaceful evolution" strategy "keeps on burning like a torch" in China.

(3) Use of economic bait. This means carrying out "peaceful evolution" under the guise of economic assistance and technological exchanges. A U.S. bigwig once claimed that U.S. assistance to socialist countries was a response to the cries for freedom in these countries. This kind of aid was conditional. He also proposed that economic cooperation, including the "granting of the preferential trade treatment status," should be used as a bait to force some socialist countries into "enforcing sustained political pluralism and respecting human rights." Another U.S. politician proclaimed that Eastern Europe can obtain "long-term trilateral assistance" from the United States, Western Europe, and Japan only if it "realizes economic and political pluralism." Following the ending of the turmoil and quelling of the counterrevolutionary upheaval in our country this year, some important figures in the United States and other Western powers clamored for economic sanctions against our country. This was a total exposure of their ugly performance.

(4) Direct intervention and interference in the domestic affairs of socialist countries. Ignoring international law, some Western imperialist powers openly interfere in the domestic affairs of socialist countries and brazenly carry out provocative and divisive activities. For instance, on such issues as Korean unification, Taiwan's return to the Chinese mainland, and GDR-FRG relations, some U.S. political figures have in the past and at present played notorious roles. When ethnic conflicts take place in socialist countries or separatist elements within ethnic minorities initiate turmoil, reactionary forces in Western countries take advantage to aggravate the situation and pour oil into the fire. The most prominent example is the turmoil and counterrevolutionary upheaval in our country where some reactionary forces in the United States openly intervened and brazenly extended support to illegal organizations, like the "Autonomous Federation of College and University Associations" and the "Autonomous Federation of Workers' Associations".

Heighten Vigilance and Work Hard to Smash the "Peaceful Evolution" Plot by Hostile Western Forces.

The "peaceful evolution" strategy of reactionary Western forces becomes effective through the internal degeneration of socialist countries. Therefore, the key to preventing and smashing the "peaceful evolution" plot is to stop the collapse of the fortress from within and endeavour to do a good job in all aspects of consolidating and developing the socialist system. Attention must be paid to the following items:

1. Adhere to the four cardinal principles and persist in the struggle against bourgeois liberalization in order to lay a good socio-political foundation against "peaceful evolution". The fundamental objective behind the "peaceful evolution" conducted by the international

monopoly bourgeoisie is to induce socialist countries into negating the leadership of the communist party, abandoning the socialist system, and gradually incorporating themselves into the Western capitalist system. This strategy is principally realized through the active response of those engaged in bourgeois liberalization within socialist countries. This is a negative lesson which also reminds us that it is necessary to steadfastly uphold the four cardinal principles and really make it the basis for our nation-building and the foundation of the country's political life. At the same time, it is imperative to resolutely resist bourgeois liberal ideas, eliminate the factors for turmoil, and wipe out the conditions conducive to "peaceful evolution."

2. Strengthen and improve political and ideological work, do a good job of party building, and lay down a good ideological foundation to prevent "peaceful evolution." In recent years, owing to a lack of consistency by some party leaders in adhering to the four cardinal principles, their advocacy of reducing party leadership, and neglect of party building and of political and ideological work, more than a few people, including some party members and cadres, lost the ability to discern and resist in the face of the ideological onslaught by reactionary forces abroad and decadent bourgeois lifestyles. In the turmoil and counterrevolutionary rebellion this year, some even forgot the stand that a party member and cadre should uphold and blindly followed the extremely small number of adherents to bourgeois liberalization. To sum up the experience and lessons from this incident, we should abide by what General Secretary Jiang Zemin stressed in his National Day speech; that is, we should vigorously strengthen the building of the party of socialist spiritual civilization, resolutely overcome all kinds of corrupt phenomena, and firmly "step up and improve ideological and political work," in order to raise the people's ability to make distinctions between right and wrong, their ability to resist corruption, and vigorously foster a resolute conviction in socialism and communism.

3. Uphold reforms and opening up, do a good job in socialist modernization and construction, and lay a good material foundation to prevent "peaceful evolution". In stressing the need to beware of the Western hostile forces' "peaceful evolution" plot, we definitely do not mean sealing ourselves off again and carrying on construction behind closed doors. We should continue to adhere to reforms and opening up, absorb and import advanced scientific technology and experiences from the West, and persist in doing a good job in socialist economic construction. Once the economy is performing well, socialist China will also become more vibrant and the superior qualities of socialism will then become more pronounced. In this way the plot by the international monopoly bourgeoisie to divert our country from the socialist path will be crushed more effectively.

As the pillar of people's democratic dictatorship and backup force of the socialist cause, our Army on the one hand shoulders the responsibility of resisting foreign

aggression and safeguarding the territorial integrity and security of the country; on the other hand, it also has the task of checking subversion by enemies in the country and protecting the peaceful labor of the people. When the country is confronted by threats of subversion by reactionary forces both at home and abroad, the soldiers play a vital role in ensuring the consolidation, survival, and security of the People's Government. It is for this reason that reactionary international forces have always regarded our Army as an insurmountable obstacle in their quest for "peaceful evolution" and have tried every means to infiltrate, divide, and erode it. In view of the growingly acute and complicated nature of the struggle between infiltration and counterinfiltration, subversion and countersubversion, "peaceful evolution" and counter "peaceful evolution", our Army should firmly keep in mind its unique mission and continue to strengthen endeavours to revolutionize, modernize and regularize itself. Most importantly, it is necessary to uphold resolutely the absolute leadership of the party over the Army. Under whatever time and conditions, our Army should firmly follow the leadership and direction of the party Central Committee and Central Military Commission, faithfully implement the decisions and directives of the party, and maintain unanimity with the party in terms of ideology, politics, and action. In this way, our Army will be able to attain the highest standards and carry out more effectively its duty and role in the struggle to prevent and resist "peaceful evolution."

United States & Canada

Seminar on Radio Spectrum Use Opens

OW2811024389 Beijing XINHUA in English
1641 GMT 27 Nov 89

[Text] Beijing, November 27 (XINHUA)—China has invested more than 82 million yuan this year for the establishment a national radio spectrum management center, a national radio spectrum monitoring center and a radio spectrum management research institute.

This was disclosed by Zhang Duanqua, director of the office of the State Radio Management Commission, at the opening session of the Sino-U.S. seminar on radio spectrum here today.

The move, he said, is aimed at maintaining the order of the radio waves and the electromagnetic environment, guaranteeing normal radio telecommunications and better and more efficient use of the radio spectrum.

Along with the economic and social development in recent years, the director said, radio telecommunications have been widely used in industry, agriculture, scientific research, education, environmental protection and many other fields.

In the past five years, he said, the number of radio stations increased by more than 20 to 40 percent different areas in China. [sentence as received] At present, China has more than 1.2 million radio stations including 60,000 in Beijing and 100,000 in Guangdong Province.

The development of radio telecommunications is a reflection of the needs of economic and social advances and, in return, accelerates the economic growth and social progress. However, Zhang said, the lack of modern management in this aspect has led to inadequate utilization of the spectrum resource, disorder of radio waves and congested frequency bands.

Under this situation, the director said, the Chinese Government is trying to strengthen the management of the radio by legal, administrative, economic and technological means. The draft regulations governing radio management would soon be submitted to the State Council for discussion, he added.

The regulations shall provide specific provisions on the manufacture, import and export of radio equipment, planned use of the radio spectrum, assignment of radio frequencies and monitoring of radio, he noted.

China's radio spectrum management and monitoring were shifted from the military to civilian departments as of 1986. State Councillor Zou Jiahua now is concurrently the minister in charge of the State Radio Management Commission. More than 400 local radio committees have been set up at and above the city level.

Central Bank's New York Branch Grows

OW2011014189 Beijing XINHUA Domestic Service
in Chinese 0910 GMT 18 Nov 89

[By reporter Qian Wenrong (6929 2429 2837)]

[Text] New York, 17 Nov (XINHUA)—Since its opening 8 years ago, the New York branch of the Bank of China has made remarkable achievements in expanding its business. As of the middle of November this year, total assets had reached \$1.3 billion, up 25 percent from last year. Its profits had doubled.

These achievements were announced by Wang Leibing, manager of the U.S. division of the Bank of China, at a soiree marking the eighth anniversary of the New York branch tonight. Wang Leibing said: Some of our friends are worried that the turmoil in Beijing in late spring and early summer this year will obstruct China's reform. The facts have shown that "China's reform will not stop, and China's door remains open to the outside world."

The New York branch was very small, with only 30 employees, when it opened in 1981. Today, it has grown to three branches—the New York branch, the New York Chinatown branch and the Los Angeles branch—with a total workforce of more than 180.

In recent years, the three branches have steadily developed their business by improving management and

services and achieving better coordination with business connections. Their main business is savings, loans, remittance and import-export trade.

Northeast Asia

Li Ruihuan Meets Japanese Business Delegation

OW2811175489 Beijing XINHUA in English
1527 GMT 28 Nov 89

[Text] Beijing, November 28 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met here tonight with Hiroshi Kawakami, president of the Yamaha Corporation of Japan, and his party.

The Yamaha Corporation and the Chinese side have established a joint venture, the Tianjin-Yamaha Electronic Musical Instrument Company Ltd., which is due to begin production and business next April.

Li spoke highly of the progress of the joint venture, saying that Sino-foreign joint ventures in China have a very good prospect.

Li stressed that China's policy of reform and opening to the outside world will not change, because the Chinese people have benefited from the policy in the past ten years, and they all support it.

Japanese Trade Delegation Visits

Meets Zou Jiahua

OW2811020489 Beijing XINHUA in English
1513 GMT 27 Nov 89

[Text] Beijing, November 27 (XINHUA)—Chinese State Councilor Zou Jiahua met with a delegation from the Japanese Society for the Promotion of Foreign Trade led by its President Yoshio Sakurachi here this afternoon.

Zou expressed pleasure at the visit to China by the 60-member Japanese delegation.

After restating China's unchanged policy of reform and opening to the outside world, Zou said to the Japanese visitors that the Sino-Japanese economic relations of friendly cooperation should continue to develop, whether judged from the short-term or long-term point of view. The economic cooperation of the two countries has great prospects, he said.

Yoshio Sakurachi said that the delegation is keen to further develop bilateral economic relations.

This evening, Zheng Hongye, chairman of the China Council for the Promotion of International Trade and chairman of the China Chamber of International Commerce, gave a banquet in honor of the Japanese guests.

Meets Exchange Official

OW2811082989 Beijing XINHUA in English
0753 GMT 28 Nov 89

[Text] Beijing, November 28 (XINHUA)—Zhang Jingfu, chairman of the China Association for International Exchange of Personnel, gave a luncheon for Yoshio Sukurachi, president of the Japanese Society for the Promotion of Foreign Trade, and his party in the Great Hall of the People here today.

The Japanese visitors arrived here Monday for a week-long visit to China.

Meets Trade Official

OW2911113589 Beijing XINHUA in English
1112 GMT 29 Nov 89

[Text] Beijing, November 29 (XINHUA)—Li Lanqing, vice-minister of Foreign Economic Relations and Trade, and some department directors or deputy directors of the ministry held talks with the delegation of the Japanese Association for the Promotion of International Trade led by its President Yoshio Sukurachi here this morning.

The Chinese officials briefed the Japanese delegation on the reform of China's foreign trade setup, the readjustment of the mix of Chinese export commodities, the import of foreign capital and the straightening out of China's foreign trade companies.

Li Lanqing pointed out some problems existing in the current Sino-Japanese economic and trade relations. Yoshio Sukurachi said that his association will work to overcome the difficulties and promote the development of the economic and trade ties between the two countries.

Resumption of Japanese Visits, Loans Urged

HK2811123489 Beijing RENMIN RIBAO in Chinese
25 Nov 89 p 4

[Report: "Japan's KOKUSAI BOEKI (INTERNATIONAL TRADE) Journal Article Says Deng Xiaoping's Retirement Reflects China's Stable Political Situation"]

[Text] A commentary in the 21 November issue of Japan's KOKUSAI BOEKI [INTERNATIONAL TRADE] emphasized that the retirement of Deng Xiaoping reflects stability in China's political situation, and marks a milestone in China's political modernization and democratization.

The article said: The Communist Party of China's 5th Plenary Session mapped out the fundamental economic guidelines for the years ahead. At the same time, it approved the retirement of Deng Xiaoping and appointed General Secretary Jiang Zemin as chairman of the Central Military Commission, replacing Deng Xiaoping.

Japan's news media called Deng Xiaoping as "the most powerful man in China". He had played a decisive role in ending the chaos caused by the Cultural Revolution, setting down a policy of modernization for China, and initiating reforms and opening up in the country. China's description of Deng Xiaoping as its "political architect" may be said to be apt and accurate.

The transfer of all responsibilities by top leaders still in good health to younger persons is a rare event in China's long history. In overall terms, to regard this as a milestone in China's political modernization and democratization shows the outside world's positive feelings toward Deng Xiaoping's retirement.

It also demonstrates the present political stability in China as it ensures the consistency and continuation of policies. This decision convinced Japan's political and financial circles that there will be no change in the present line. This is the fundamental view as well as common assessment.

Recent Japanese reports about China reflected the following views: "Demand for democratization is absolutely good, while the slightest difference in understanding is absolutely bad." "It is better to promote liberalization in economic matters because management and control are not desirable." The essence of the problem is: What is best suited to the real situation in China? Disregard of the another party's national conditions and its assessment according to one's own yardsticks and abstract concepts will easily lead to erroneous judgments. China is a big country in terms of geography and population. Meanwhile, its economy and culture are characterized by diversity and lack of equilibrium. Everything should be conducted in a gradual, realistic and orderly manner. Only in this way can there be stability in China's internal and external relations. Looking at it from this point of view, we look forward to the resolute implementation of the decisions of the 5th Plenary Session.

Japan has already made "assistance to China's modernization" a feature of Japan-China relations. We strongly hope that after the 5th Plenary Session, the Japanese government will resume, as soon as possible, exchange visits between top government officials and provision of loans which are currently suspended.

Near East & South Asia

Workers Show Support for Palestinian Struggle

OW2811141389 Beijing XINHUA in English
1301 GMT 28 Nov 89

[Text] Beijing, November 28 (XINHUA)—On the eve of the "International Day of Solidarity With the Palestinian People", representatives of the Chinese capital's three million workers gathered here this afternoon to express their support for the Palestinian people's just struggle.

On December 2, 1977, the United Nations named November 29 the "International Day of Solidarity With the Palestinian People". Similar decisions were also made at the 15th assembly of the heads of state and government of the organization of African unity and the Belgrade foreign ministers conference of nonaligned countries in July, 1978.

At the gathering, representatives demonstrated their firm support for the Palestinian workers and people of the Israeli-occupied areas in their two-year-long uprising against the Israeli occupation and suppression.

Shang Baokun, chairman of the Beijing Municipal Trade Union Council, said that the Chinese workers and people have always unswervingly supported the Palestinians and Arabs in their just struggle against Israeli expansion and invasion, and for state sovereignty, national independence and return to their homeland.

The Chinese workers and people strongly condemn the bloody suppression by the Israeli authorities of the Palestinians in the occupied areas, he continued.

A solution to the Middle East question should be worked out through political channels, he said, adding that the Israeli authorities should follow the trend of history and hold direct dialogue with the state of Palestine led by its president, Yasir 'Arafat.

Mohammad Bradram, assistant secretary general of the Palestine Trade Union Federation, who heads a visiting trade union delegation here, said that the Israeli troops act in the occupied territories just like the Nazi Jew-baiters in Europe during the second World War.

He said that some 20,000 Palestinians have been imprisoned by the occupation troops, with 62,000 driven out of their homeland and 48,000 injured.

He also gave a briefing on the Palestinians' living and fighting conditions, saying that the Palestinian people will win victory in the struggle for state sovereignty, national independence and return to the homeland.

He also expressed his thanks to the Chinese Communist Party, Government and people for their firm support for the Palestinian people over a long period of time.

After the gathering all those present viewed a photo display put on by the Palestinian Embassy in Beijing on the struggle of the Palestinian people.

Present on the occasion were Wang Houde, vice-chairman of the All-China Federation of Trade Unions and Palestinian diplomats in Beijing.

East Europe

Qiao Shi Holds Talks With Bulgarian Leaders

OW2911085989 Beijing XINHUA in English
0839 GMT 29 Nov 89

[Text] Sofia, November 28 (XINHUA)—Bulgarian Communist Party Politburo member Andrey Lukanov said today that his country's vital task is to carry forward the pioneer role of the party and further the socialist economic and political reform.

Briefing Qiao Shi, visiting head of the Chinese Communist Party's delegation, Lukanov said his country will make painstaking efforts to stabilize the state economy and create favorable conditions for socialist construction.

Lukanov and Dimitur Stanishev, alternate Politburo member, told their Chinese guests of the great changes in Bulgaria since the party's Central Committee plenary session held early in November.

Qiao, member of the Standing Committee of the Chinese Communist Party Politburo and Secretariat, assured Lukanov that for its part, China will continue the policies of reform and opening to the outside world while carrying out the four cardinal principles.

He said maintaining socialism under the leadership of the Communist Party is the only way for China to develop.

Qiao arrived here Monday from Bucharest.

Latin America & Caribbean

CPC's Zhu Liang Continues Tour

Ends Brazilian Visit

OW2911061489 Beijing XINHUA in English
0221 GMT 29 Nov 89

[Text] Rio de Janeiro, November 28 (XINHUA)—A delegation of the Communist Party of China, led by Zhu Liang, head of the International Liaison Department of the CPC Central Committee, today ended its week-long visit to Brazil.

The delegation, which left here this morning for Venezuela, met with President Jose Sarney, president of the Chamber of Senators, Nelson Carneiro, and president of the Chamber of Deputies, Poes de Andrade.

The delegates also held talks with leaders of the Brazilian Democratic Movement Party, the Workers Party, the National Reconstruction Party, and the Democratic Labor Party, as well as other political sectors.

During the talks, Zhu said China hopes to strengthen friendship and cooperation with Brazil and the other Latin American countries, while the Brazilian side

affirmed the cooperation between the two countries, which it described as being "of long-range interest to the Brazilian and Chinese people."

The delegation arrived in Brazil November 20.

Arrives in Venezuela

OW2911082889 Beijing XINHUA in English
0753 GMT 29 Nov 89

[Text] Caracas, November 28 (XINHUA)—A delegation of the Communist Party of China, led by Zhu Liang, head of the International Liaison Department of the CPC Central Committee, arrived here today from Brazil.

The delegation, invited by Venezuela's Democratic Action Party (AD), received a warm welcome at the airport by party leaders and Foreign Ministry officials.

During the visit, the delegates will meet with President Carlos Andres Perez, congress President Octavio Lepage, Secretary-General of the Socialist Movement Fredy Munoz, and various Democratic Action party leaders. They will also hold talks with the Venezuelan Confederation of Workers and the Venezuelan Petroleum Company (PDVSA).

A visit to the Guayana area is scheduled for the delegation, including the observation of governor, mayor and councillor elections, which will be carried out in Bolivar on December 3.

Ambassador to Colombia Visits Noriega

PA2511192489 Panama City Television Service
in Spanish 1530 GMT 12 Nov 89

[Text] His Excellency Wang Yusheng, PRC ambassador to Colombia, has conveyed the solidarity of the PRC Government and people with the just Panamanian cause to General Manuel Antonio Noriega during a visit to the Panama Defense Forces headquarters.

The PRC, an Asian state that became a people's republic in 1949, has an area of 9.780 million sq km and a population of over 735 million, nearly one-quarter of the world's population. It is one of the most technologically advanced countries in agroindustry programs, vegetables cultivation, and vegetable seed production, aquiculture, and agricultural inputs.

The PRC is willing to offer us technical assistance in these areas to improve Panama's economy, especially its agriculture.

During his visit to the headquarters, the distinguished Asian diplomat was accompanied by embassy officials (Liu Yunsui), (Huliac Shulan), and (Yan Beijiu). Panamanian Foreign Minister Leonardo Kam and Colonel Teodoro Alexander attended the meeting.

Colombian Networks Televisé Series on China

OW2611001189 Beijing XINHUA in English
1931 GMT 24 Nov 89

[Text] Bogota, November 24 (XINHUA)—The Colombian Television Network 3 aired a program entitled "Beijing," the first episode of a documentary series "Current China," on Thursday night.

The TV's public interest (education) channel will show the documentary series every Thursday night.

The "Current China" series was facilitated by the Chinese Embassy in Colombia at the request of the local television network.

Moreover, the Colombian Television Network 1 is currently broadcasting, in its Sunday program "The World at a Glance," another series of documentaries presenting China to the Colombian public. The series was filmed by Colombian cameraman Hector Mora during his recent visit to China.

Up to this week, "The World at a Glance" had already shown four of the programmed six parts. The remaining two parts will be aired on the next two Sundays.

Political & Social

Further Reportage on Li Peng's Xinjiang Tour

HK2911021389 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 27 Nov 89

[Excerpts] According to a XINJIANG RIBAO report, from 22 to 24 November Li Peng, member of the Standing Committee of the Political Bureau of the CPC Central Committee and State Council premier, inspected work in Yining, Karamay, Shihezi, and Kashi, and addressed people of all nationalities, reclamation farm workers, and staff members, and the commanders and fighters of Nanjiang Military Region. He encouraged them to conscientiously implement the spirit of the fifth plenary session, strengthen nationality unity, further improve the economic environment, rectify the economic order, deepen the reform, and develop the economy in a sustained, stable, and harmonious way.

Leading comrades of the regional party, government, and Army, including Wang Enmao, Song Hanliang, Tomur Dawamat, Janabil, [name indistinct], respectively, went to Karamay and Shihezi to brief the premier on prospecting for and exploiting petroleum in Xinjiang and on production and construction corps work.

Premier Li Peng was very much concerned about the new developments in various localities and the livelihood of the people of all nationalities and especially about agricultural development. After hearing work reports by the responsible comrades of Ili Kazak Autonomous Prefecture and the Karamay area, he stressed: In your locality, to develop the economy, agriculture is the foundation. It is necessary to develop agriculture as far as possible, increase agricultural output and industrial crops, do a good job in grain production and the production of cotton, sugar-bearing crops, and silkworm cocoons, and develop agriculture, forestry, animal husbandry, sideline production, and fisheries in an all-round way. At the same time, we should appropriately develop industry and the processing industry for agricultural products. It will not do without industry. Without industry there will not be all-round development. [passage indistinct]

When meeting the leading cadres of production and construction corps and the No 8 Agricultural Division, Premier Li Peng fully affirmed the corps' tremendous contributions in stationing troops in the border regions to open up wasteland, defend the border regions of the motherland, and develop Xinjiang's economic construction during the past 4 decades. He said: It is hoped that the corps will further develop the collective economy on the existing basis and carry out scientific farming so that our agriculture can climb another step. It is hoped that all people will continuously overcome difficulties and build the corps more satisfactorily. The state will not forget you, neither will the people.

In his 3-day inspection tour, besides listening to reports by the responsible comrades of various localities, Premier Li Peng also inspected plains, forest belts, grasslands, water

conservation facilities, production funds, [words indistinct]. He also cordially talked with cadres and the people, inquiring about their production, livelihood, and work. Wherever he went, he was warmly welcomed by people of all nationalities. [passage omitted]

When talking with people of all nationalities, Premier Li Peng invariably stressed strengthening nationality unity, developing nationality economy, and safeguarding the reunification of the motherland. After hearing briefings in Kashi, he said: Nationality unity is above everything else in your place, as well as in Xinjiang as a whole. This is because there are splittists and there are foreign [word indistinct] forces meddling. We must heighten our vigilance on this point. He said: To develop the economy, it is first necessary to have stability. To have stability and unity, it is first necessary for all nationalities to have unity. The basis of nationality unity is economic development, and then all nationalities can prosper together. He hoped that Kashi could be turned into a basis for nationality unity.

The briefings given by the responsible comrades of the Petroleum and Natural Gas Corporation, Tarim Petroleum Prospecting and Exploitation Command Post, and Northwest China Petroleum and Geological Bureau show that the Tarim Basin has the largest oil storage structure so far discovered anywhere. Together with leading cadres at various levels and central [word indistinct], Premier Li Peng discussed and studied the strategic plan for China's petroleum industry and Xinjiang's development and construction.

When meeting with Nanjiang Military Region regimental level or above cadres, and hearing briefings by the responsible comrades from the military region, Premier Li Peng made a speech. On behalf of the party Central Committee and the State Council, he extended cordial greetings to the commanders and fighters guarding the western frontiers of the motherland. He said: Over the years you have been guarding the border regions under extremely difficult conditions. You have struggled not only with [words indistinct] but also with nature. It is hoped that you will continuously carry forward our Army's glorious traditions and Nanniwan spirit, work hard, strengthen nationality unity, and make new contributions to the prosperity of the motherland and the consolidation of frontier defense. Premier Li Peng encouraged the Nanjiang Military Region commanders and fighters to love the border area, carry out hard struggle, offer selfless devotion, and work tenaciously.

Jiang, Yang Shangkun Meet Military Party Cadres

OW291114789 Beijing Domestic Service in Mandarin
1030 GMT 29 Nov 89

[From the "National Hookup" program]

[Text] Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, and Yang Shangkun, president of the state and first vice chairman of the Central Military Commission, had a cordial meeting at the Great Hall of the People this

afternoon with all comrades participating in a conference of the party committees of the National Defense Science, Technology, and Industry; the Navy; and the Second Artillery Corps. They also posed for pictures with the participants.

Liu Huaqing, vice chairman, and Yang Baibing, secretary general of the Central Military Commission, were present at the meeting and picture taking session.

Present on the occasion were also Qin Jiwei and Zhou Nanqi, members of the Central Military Commission, and leaders of the three General Departments, Comrades Xu Xin, Guo Linxiang, and Liu Anyuan.

Li Peng Approves Underwater Relics Regulations

HK1411071589 Beijing RENMIN RIBAO in Chinese
9 Nov 89 p 6

[Report: "Li Peng Signs State Council Decree No 42"]

[Text] Now the State Council announces the "PRC Regulations on the Protection and Management of Underwater Cultural Relics." These regulations come into force from the date of announcement.

[Signed] Premier Li Peng

[Dated] 20 October 1989

Tian Jiyun Inspects Shandong's Huang He Delta

OW2111084489 Beijing Television Service
in Mandarin 1100 GMT 14 Nov 89

[By reporter Wang Minjing, from the "National News Hookup" program]

[Text] [Video begins with announcer reading report] Vice Premier Tian Jiyun made an inspection and study tour of Huang He Delta Agricultural Development Area from 10 to 13 November.

[Video cuts to a large map of Huang He Delta taken from satellite] Located at the river mouth where Huang He empties into the sea, Huang He Delta Agricultural Development Area includes (Dongying) City, Wudi County, and Zhanhua County—all in Shandong Province—and covers an area of about 7,000 square kilometers.

[Video then cuts to a medium shot of Tian Jiyun in the field talking with a group of local officials, and shots of vast cropland with some farm equipment] Vice Premier Tian Jiyun said: As a new and large project, Huang He Delta Agricultural Development Area should, from the start, gear itself toward multiple large-scale operations ranging from collective contractual systems and joint contractual systems to state farms. It should emphasize mechanization, science, and technology. Focusing on increasing output of grain, cotton, cooking oil, and meat, it should tackle the development of mountain resources, aquatics, forestry, and farming in a comprehensive manner.

[Video cuts to a large chart and a man using a pointer explaining the chart to a room of people including Tian Jiyun. Video then cuts to show Tian Jiyun outdoors with a group of people] In connection with rural work policies, Tian Jiyun said: Rural work should resolutely implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and carry out the policy of improving the economic environment, rectifying the economic order, and deepening reform. It should ensure the stability of the party's basic rural policies. The various forms of contracted production systems, mainly the system of domestic contracted responsibilities with remuneration linked to output, have to remain unchanged. So do the policies of allowing some localities and people to get rich first, of encouraging and guiding rural enterprises to flourish steadily and wholesomely, and of purchasing and distributing farm products based on combining a planned economy with market regulation. The policy of maintaining grain production and of actively developing multi-formed operations will remain. In rural areas, attention should be paid to both conventional and developmental agriculture; investment in science and technology and materials should be balanced; equal effort should be given to both development and helping poor areas; flood and drought prevention should be tackled together; and development of both material and spiritual civilization should be kept in step.

Tian Jiyun also went to Dezhou Prefecture to inspect the development of the Huang-Hui-Hai Plains. [Video ends with Tian Jiyun speaking to a microphone in a meeting room]

Song Ping Stresses Study of Marxism, Leninism

OW2811230689 Beijing XINHUA Domestic Service
in Chinese 1330 GMT 22 Nov 89

[By reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 22 Nov (XINHUA)—Song Ping, member of the Standing Committee of the CPC Central Committee Political Bureau and head of its Organizational Department, stressed here today that cadres at all levels should make time to study the theories of Marxism and Leninism. This should be institutionalized. Only by raising their level of Marxism and Leninism can cadres strengthen their ability to correctly understand situations and solve practical problems and better lead the people in the construction of socialist modernization.

Song Ping said this today at a meeting, in Zhongnanhai's Huairan Auditorium, with participants in the seventh book-reading class of leading cadres at the provincial and ministerial level and in the first special-subject research class of heads of provincial organization departments.

Song Ping said: Although cadres are very busy with their work, they should make time to study Marxist-Leninist theories. Henceforth, a system should be set up whereby cadres are required to study the theories of Marxism and

Leninism. It is better for leading cadres at the provincial and ministerial level to study at the Central Party School at least once during their term of office. All cadres who are studying to work in the leading bodies at the provincial and ministerial level should come to study in the theory classes of the school for 1 year. At the same time, in conjunction with the current situation and tasks, various departments should sponsor short-term study classes, and all leading cadres should take part in one or two short-term classes during a term of office. During normal times, cadres should take the initiative in studying Marxist-Leninist theories, and the leading cadres should take the lead in studying. This is sharpening the knife in order to make sure that it can cut the tree, as the saying goes. By conscientiously studying theories, cadres will be able to get twice the result with half the effort in doing their work.

Song Ping said to the provincial and ministerial cadres taking part in the book-reading class: You have gained a lot by studying theories at the Central Party School for 3 months. After you return to your units, you should apply the Marxist-Leninist stand, points of view, and method in doing your work and conscientiously carry out the resolutions of the 5th Plenary Session of the party Central Committee. To implement the guidelines of the plenary session, you must correctly analyze the situation. At present, the political situation in China is stable; thinking within the party is fairly unified; leading bodies at all levels are fairly united; economically, we have achieved initial results in improving the economic environment and rectifying the economic order, and the general situation is good. However, we should also be aware of existing difficulties in our economy. While we should make an adequate assessment of the difficulties, we should also take note of the favorable conditions for overcoming them. We have the confidence and the determination to lead the masses to work hard in self reliance and to constantly overcome the difficulties on the road of advance in order to push forward the great cause of construction and reform.

Song Ping pointed out: To approach difficulties by applying the Marxist-Leninist points of view, our cadres must keep the overall interests in mind, particularly during the period of improving the economic environment and rectifying the economic order. Song Ping said: Some of you work in central departments; some work in local departments, party and government departments, and enterprises. Nevertheless, all should bear in mind the overall situation; that is, to keep in mind the collective interests of the state at all times. In developing the economy, we should take into consideration the interests of all sectors. Nevertheless, contradictions will emerge. When there are contradictions, the part should be subordinate to the whole. Ours is a planned commodity economy. Only by keeping the overall interests in mind can we ensure the smooth implementation of the policy of improving the economic environment, rectifying the economic order, and deepening the reform.

Song Ping stressed that leadership at all levels must show concern for party building. He said that China's socialist modernization drive will succeed so long as there is unity of thinking in the party, leading bodies are in the hands of genuine Marxists, the party's grass roots organizations are strengthened, and party members are able to play an exemplary vanguard role among the masses.

At the meeting, Gu Changchun, deputy secretary of the Jilin provincial party committee; Wu Changqi, vice governor of Anhui; Ni Haomei, deputy political commissar of the Xinjiang Production and Construction Corps; Zhao Qizheng, head of the Shanghai municipal party committee's Organization Department; Da Zhengyuan, secretary of the party committee of the Kailuan Mining Bureau in Hebei; Zhang Chuanqing, deputy head of the Liaoning provincial party committee's Organization Department; Qin Yuqing, deputy secretary of the Chongqing city party committee; Zeng Peiyan, vice minister of machine-building and electronics industry; and He Wenzhi, vice minister of aeronautics and astronautics industry, briefed other participants on their gains in studying Marxist-Leninist theories and expressed their views on strengthening party building and training of political cadres.

Attending the meeting were Zhao Zongnai, Lu Feng, Meng Liankun, and Liu Zepeng, deputy heads of the CPC Central Committee's Organization Department, and Xue Ju, vice president of the Central Party School.

State Council's Yuan Mu Speaks in Xian

HK2911010389 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 25 Nov 89

[Text] On invitation, Yuan Mu, director of the research office of the State Council, yesterday morning in Xian gave a talk, exclusively for cadres of provincial and city party and government organs, on the study and implementation of the spirit of the 5th Plenary Session of the 13th CPC Central Committee and the necessity of resolutely accomplishing the task of economic improvement and rectification and deepening the reform.

Comrade Yuan Mu's report contained four parts. He first made an analysis of the current political and economic situation in China. Talking about the current economic situation, Yuan Mu pointed out: While acknowledging our achievements, we must also evaluate all the difficulties as they really are. The existing problems and difficulties did not emerge all of a sudden in the past 2 years. In fact they stemmed from the long development since 1984. An important root cause is that, as far as the guiding ideology is concerned, we have been too anxious for success and divorced from our national conditions, have acted beyond the extent that our resources could afford, have overexpanded the scale of capital construction, and have maintained an excessively high growth rate. Also, in the process of improving the economic environment and rectifying economic order, we have encountered some cases that can hardly be

completely avoided. At present, we are facing the following conspicuous problems: Sales are slack on the market and the industrial growth rate is sliding down too drastically.

After analyzing the favorable conditions that we can rely on in overcoming the difficulties, Yuan Mu said: So long as we can keep sober-minded, calmly cope with the situation, and adopt effective measures, we will be able to tide over the temporary difficulties we are now facing, and the operation of improving the economic environment and rectifying economic order will certainly succeed.

Referring to some people's muddled and one-sided views on the relations between the operation of economic improvement and rectification and the in-depth development of the reform, Yuan Mu said: The operation to improve the economic environment and rectify economic order is a stage that cannot be sidestepped in the current economic development in China. And the reform and the opening up process definitely have to be carried on. In handling the relations between the operation of economic improvement and rectification and the in-depth development of the reform, we must have a clear understanding of the following three points: First, the operation of economic improvement and rectification never means to give up the reform, and many measures in this operation cannot be enforced simply by administrative orders but must be supported by some reformatory measures. Second, the operation of economic improvement and rectification, if successful, will pave the way to the further deepening and perfection of the reform. Given macroeconomic dislocation, structural imbalance, and inflation, many reformatory measures cannot be implemented. Therefore, the operation of economic improvement and rectification is an indispensable condition for the in-depth development of the reform. Third, neither the operation of economic improvement and rectification or the reform is the goal but the means to push ahead China's socialist modernization.

Yuan Mu said: The 5th Plenary Session of the 13th CPC Central Committee has drawn a profound lesson from China's experience in economic construction over the past 40 years. Economic development brooks no precipitous action and drastic changes. The development of social productive forces is a long-term, gradual process of accumulation. Whether during or after the operation of economic improvement and rectification, we must not advocate any more the practice of going all out for instant success which is not in keeping with our national conditions. We must uphold the guiding principle of long-term, continuous, stable, and harmonious development.

Finally, talking about the international and domestic environment for economic improvement and rectification, Yuan Mu said: For the moment, some Western countries are imposing the so-called economic sanctions against us. We will never yield to the pressure. Such

sanctions will be over some day. We have always emphasized the principle of self-reliance. So long as we can maintain a stable political situation and a steadily developing economy, so long as all people throughout the country, upper and lower levels alike, can work together with one heart and one mind, we will certainly be able to overcome the temporary difficulties, fulfill the goal of economic improvement and rectification, and push forward our socialist modernization program with Chinese characteristics.

The talk was cosponsored by the Xian City People's Government, the propaganda department of the provincial party committee, and the fifth joint meeting of the economics research centers of all the provincial capitals in the country. Present at the speech were provincial and city party and government leading comrades Dong Jichang, An Qiyuan, Yuan Zhengzhong, (Liu Chunmao), and (Wang Jucai).

Wu Xueqian Visits Shenzhen Tourist Exhibition

*OW2411013889 Beijing XINHUA in English
1547 GMT 22 Nov 89*

[Excerpts] Shenzhen, November 22 (XINHUA)—"Splendid China," a miniature layout of China's main attractions, opened to visitors today in Shenzhen, one of the four special economic zones in south China's Guangdong Province. [passage omitted]

Among the 1,200 visitors were Chinese Vice Premier Wu Xueqian and tour operators from 19 countries and regions who have come to attend the "1989 Travel Trade Convention" in Shenzhen, which also opened today and is due to close on Friday.

Forum Discusses Law on Demonstration Rights

Television Coverage

*OW2811145289 Beijing Television Service
in Mandarin 1100 GMT 28 Nov 89*

[From the "National Hookup" program]

[Text] The China Law Society and the Ministry of Public Security jointly sponsored a forum this morning for legal experts in the capital and comrades from central judicial, procuratorial, propaganda, and journalistic departments. The forum was held to discuss the significance, function, implementation, and other relevant questions concerning the Law Governing Parades and Demonstrations promulgated on 31 October 1989.

Comrades Wang Zhongfang, Wu Daying (Wu Jie), Wang Shuwen, Gao Mingxuan, (Sun Bingzhu), and Huang Shuhai pointed out in their speeches that the promulgation and implementation of the Law Governing Parades and Demonstrations is of utmost significance for consolidating and developing the political situation of stability and unity. Although some local people's congresses and

governments have promulgated local laws and regulations governing parades and demonstrations in recent years, we did not draft a national law governing demonstrations. Citizens' legal rights to hold parades, gatherings, and demonstrations failed to be fully guaranteed. Some people who did not have a comprehensive and correct understanding of this democratic right guaranteed by the Constitution put one-sided emphasis on the individual's absolute rights and freedom to the neglect of the legal obligations the citizen must fulfill when exercising this right. They stressed only democracy to the neglect of laws, thus harming the interests of the state, society, and the collective, as well as the legitimate rights and interests of other citizens. Moreover, under the guise of safeguarding human rights, some people who stubbornly stuck to the idea of bourgeois liberalization endangered the interests of the state by whipping up ultrademocracy and anarchism and inciting turmoil and counterrevolutionary rebellion. The turmoil and counterrevolutionary rebellion during spring and summer this year have taught us a profound lesson. The implementation of the Law Governing Parades and Demonstrations is a major event in the political life of Chinese citizens. Relevant departments must do a good job in propaganda to make this law known to everyone.

Vice Minister of Public Security Yu Lei urged public security departments at all levels to earnestly study and implement this law, firmly safeguard its authority, and strictly implement it.

Legal Experts Praise Law

OW2811173689 Beijing XINHUA Domestic Service
in Chinese 1332 GMT 28 Nov 89

[Text] Beijing, 28 Nov (XINHUA)—Some legal experts, professors, and public security and judicial workers discussed the significance and function of the promulgated Law on Assemblies, Parades, and Demonstrations and how to implement it at a forum here today.

Wang Zhongfang, president of the China Law Society, presided over the meeting.

In their speeches, the conferees expressed the following views: The Law on Assemblies, Parades, and Demonstrations is an important piece of legislation for protecting citizens' legitimate rights regarding assemblies, parades, and demonstrations and maintaining social stability and public order in our country. Its enactment and implementation are of great significance in promoting socialist democracy, perfecting the socialist legal system, consolidating and enhancing the political situation of stability and unity, and ensuring lasting peace and order in our country.

They pointed out: The newly promulgated Law on Assemblies, Parades, and Demonstrations has embodied the guidelines of the PRC Constitution, pooled the views of the broad masses, and handled better the dialectical relationship between protection and restriction, between rights and duties, and between democracy and the legal

system. It not only stipulates clearly and definitely that the people's governments at all levels must protect citizens' rights with regard to assemblies, parades, and demonstrations, but also stipulates unequivocally the legal limits within which citizens may hold assemblies, parades, and demonstrations. In addition, it also clarifies the legal principles and functions of public security organs in protecting legitimate assemblies, parades, and demonstrations and banning illegal assemblies, parades, and demonstrations. It thus provides a clear and definite legal basis for citizens to exercise correctly their democratic rights, and for public organs to manage assemblies, parades, and demonstrations.

The conferees expressed the hope that relevant laws and regulations and detailed rules for implementing the demonstration law will be enacted soon in order to guarantee the implementation of the newly promulgated law. They also expressed the hope that at the same time, the new law will be widely and thoroughly publicized among the citizens so that the citizens can exercise this basic right correctly.

The forum was co-sponsored by the China Law Society and the Ministry of Public Security. Yu Lei, vice minister of public security, spoke at the meeting.

Procurators To Crack Down on Rioters, Embezzlers

OW2911111089 Beijing XINHUA in English
1052 GMT 29 Nov 89

[Text] Beijing, November 29 (XINHUA)—China's procuratorial departments will give priority to cracking down on anti-government rioters and other major criminals next year, a senior procurator said here today.

Zhang Siqing, deputy chief procurator of the Supreme People's Procuratorate, said fighting embezzlement and bribery will be another focal point of the procurators' work in the coming year.

The anti-corruption fight will be a long, complicated and difficult task for China's procurators, and dealing with cases involving party and government departments will be an even knottier problem, the deputy chief procurator said.

Zhang said the number of major criminal cases has been on the rise for a long time and warned that next year's work to comb out and suppress anti-government rioters and other criminals, including beaters, smashers, looters, burners and killers, will be harder for all procurators.

Editorial Views Importance of Thrift

HK2911045589 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 29 Nov 89 p 1

[Editorial: "On Leading a Thrifty Life"]

[Text] The 5th Plenary Session of the 13th CPC Central Committee called on the broad masses of party members, cadres, and people to inherit and carry forward the

glorious tradition of struggling hard and building up the country through thrift and hard work. "We must be determined to lead a thrifty life for several years" in order to overcome the present economic difficulties and achieve sustained, stable, and coordinated development of the national economy. This is important guidance for thinking.

Why and how must we lead a thrifty life? The broad masses of our cadres and people have shown concern for these questions and talked a lot about them. This has demanded that party organizations at all levels go deep among the masses and spread propaganda. They must explain the current situation to them so that they can take the interests of the whole into account. While fully affirming the great achievements made during the past 10 years of reform, we must accurately and clearly explain our national conditions, national strength, and the present temporary difficulties to them. In such a way we can unify the thinking of all people on the spirit of the 5th Plenary Session of the 13th CPC Central Committee.

Leading a thrifty life for several years is an objective demand of our country's present economic situation. It is also the only correct alternative for overcoming our difficulties and straightening out relationships, so that our economic work can take the road of healthy development. Comrades of the whole party, and particularly leading party cadres at all levels, must soberly understand this. The current economic difficulties have been accumulating for many years. One of the prominent problems is that we experienced "overheated" economic development for many years in succession. The demand for investments and consumption expanded very rapidly. Our present national strength and social production capability cannot sustain such large-scale construction and the increasing demand for consumption. Although such an overheated situation looks prosperous, it cannot last long, and problems will be revealed at an appropriate time. Just as we have seen, we experienced inflation and price hikes. If things remain unchanged, it will be very difficult to consolidate the achievements we have made in construction and reform. In the meantime, our national economy will develop in a vicious circle. The situation is worrying. What is to be done? It is imperative to make necessary retrenchment, lower the temperature, and cut expenses. Comrades in various localities are enthusiastic in promoting construction and hope that it can be carried out more rapidly. We appreciate their desires. However, we must never forget our basic national conditions. We must never forget our principle in construction of always acting according to our capability. "Haste makes waste." We must no longer come to grief through being impatient for success. Due to implementation of the retrenchment policy, the speed of our development will be slowed. In certain aspects, or in some areas, we may endure hardships. However, it is necessary for us to do so from a long-term point of view and with the whole situation in mind. Without doing so, our construction and reform cannot hold their ground. We will face an even more serious and difficult situation.

Leading a thrifty life actually started when the 3d Plenary Session of the 13th CPC Central Committee put forward the guiding principle of improving the economic environment, rectifying the economic order, and deepening the reform. Thanks to work during the past year we have succeeded in checking investment in fixed assets and easing price hikes. The excessively high speed of industrial development has also been slowed down. It is appropriate to say that we have achieved initial results in improvement and rectification. Under such circumstances, some comrades urge against any more "retrenchment" and want to loosen the screw a bit in various aspects in light of different climatic, geographical, and human conditions. At a certain time and in certain places, it is necessary to loosen the screw a bit. However, generally speaking, retrenchment is needed. We must take a historical lesson from the past event: People grumbled when retrenchment was imposed; once they complained of hardship, the control was lifted.

Leading a thrifty life for several years must, first of all, be reflected in economic construction. Various localities and departments must unswervingly shift their economic work to the center of enhancing economic results. They must truly make great efforts to readjust their product mix, improve their management and operations, promote technical progress, and follow the road of economic development characterized by less investment, bigger yield, and better results. This has demanded that we devise forceful measures and specify the work at all levels of reducing production costs and consumption, enhancing quality, cutting down the use of funds, and so on. We must mobilize the broad masses of workers and staff members to adopt a down-to-earth manner in throwing themselves into the campaign to increase production and practice economy, and increase incomes and cut down expenses. Only by doing so conscientiously can the call to lead a thrifty life become a driving force in promoting our work.

A very important part of leading a thrifty life for several years is control over institutional purchases. Several years ago the excessively rapid increase in social consumption demand was closely connected with the fast expansion of institutional purchases. Great potential can be tapped with regard to cutting down institutional purchases. Money must not be spent on things which are not absolutely needed. Decorating offices, buying high-class stationery, using public funds for travelling around and extravagant eating and drinking, and so on must be resolutely stopped. Checking the expenses in these aspects is beneficial not only to putting an end to waste, accumulating funds, and supporting construction, but also to promoting a clean and honest administration and forging closer links between the party and government and the masses. Over the past year, we have achieved initial results in retrenching institutional purchases. We must continue to firmly and effectively grasp this work.

We must lead a thrifty life for several years. Does this mean restricting normal consumption by the broad masses of the people? The answer is, of course, no. The

state must make efforts and do its best to guarantee the supply of food, clothing, and daily necessities. Does this mean a decline in the people's living standards? We must not view things in this way. We will stop some projects, shut some factories down, or suspend their operation, or amalgamate them with other factories, or switch them to manufacturing some other products. The bonuses and incomes of some workers and staff members may drop. We must try in every possible way to find a solution for this portion of workers and staff members and make proper arrangements for their livelihood. But the livelihood of our people is secure as a whole. In recent years, the party and government have made painstaking efforts to enhance the living standards of the masses. In view of the fact that over a long period of time in the past the increase in individual incomes was too slow, and that some people ran into heavy debt, the government has done its best to increase the proportion of money in our national income earmarked for increasing the incomes of our residents. Over the past 10 years, the livelihood of our urban and rural residents has been markedly improved. During the period of improvement and rectification, our country's economy will continue to grow at a certain speed, and life will continue to get better. There is no doubt about this. What is important for us to understand is that since our national strength is not powerful enough, we must not compete with each other to blindly seek "high consumption" which does not conform with our national conditions. According to our present national conditions, we can eat well but we cannot eat excessively well. To eat well and sufficiently in the future, we must now tighten our belts for the time being so that we can use more of our financial resources for construction and production. This is a fundamental way to improve our livelihood. Struggling hard is a virtue of the Chinese nation and also our party's fine tradition. We must carry it forward under the new conditions. We must greatly promote the virtue of thrift and hard work and oppose the social practices of extravagance and waste. Without carrying out hard struggle for several decades it will be impossible to promote socialist construction in such a big country as China, which is populous, poor, and backward. In this sense, the idea of leading a thrifty life must be advocated repeatedly.

The broad masses of party members, party-member cadres, and leading cadres in particular must set a good example in leading a thrifty life. When they ask the masses to do something, leading cadres and senior leading cadres in particular must do it first. When they ask local organs to do something, the central organs must do it first. This is an economic problem and particularly a political problem. Our party has grown from a weak and small beginning into a strong and large force. What do we rely upon? Apart from our correct political line, we rely on the broad masses of our party members and people who share weal and woe with us. This is our political strong point. Communist Party members, and leading cadres of the party in particular, must be the first to bear hardship and the last to enjoy comfort and must serve the people wholeheartedly. They must do so when

we encounter temporary difficulties. They must also do so in the future when our country is much better off. The livelihood of party members and cadres can only be enhanced with the enhancement of the livelihood of the masses. This is an important principle of our party.

Series Continues on Jiang's National Day Speech

Deng's Socialist Theory

HK1711020189 Beijing JIEFANGJUN BAO
in Chinese 4 Nov 89 p 4

[Fourteenth article in the series "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Liang Ke (2733 3784): "Why Do We Say That Comrade Deng Xiaoping's Theory On Building Socialism with Chinese Characteristics Is the Banner Guiding Our Continued Advance?"]

[Text] The building of socialism with Chinese characteristics has been Comrade Deng Xiaoping's consistent idea since the 3d Plenary Session of the 11th CPC Central Committee. In 1979, not long after the convening of the 3d Plenary Session, Comrade Deng Xiaoping pointed out: "In the democratic revolution before, we had to adapt to the national conditions of China, following the road opened up by Comrade Mao Zedong of making the countryside encircle cities. Now, in carrying out construction, we must also adapt to China's conditions following a Chinese-type road of modernization."

In 1982, in an opening speech at the 12th National Party Congress, Comrade Deng Xiaoping spelled out systematically for the first time the idea of "building socialism with Chinese characteristics." He clearly pointed out: "Our modernization effort must be guided by China's realities. Be it revolution or construction, we must pay attention to learning and borrowing from foreign experiences. But borrowing the experiences and patterns of foreign countries in their entirety has never brought success. In this respect, we have had many lessons. Combining the universal truth of Marxism with our country's concrete realities, following our own road and building socialism with Chinese characteristics—this is the fundamental conclusion drawn from our historical experiences over a long period of time."

After this, Comrade Deng Xiaoping again on many occasions penetratingly expounded the theory of building socialism with Chinese characteristics. In an important speech in 1984, Comrade Deng Xiaoping emphatically pointed out: "We have reiterated many times the need to uphold Marxism and uphold the socialist road. But Marxism must be Marxism integrated with the realities of China. Socialism must be socialism with Chinese characteristics compatible with the realities of China." "As ideas go, this is our idea. There is still the need for us to accumulate experiences. New problems are likely to be encountered. We will then again put forward new ways. Generally speaking, we believe that

this road called the road of building socialism with Chinese characteristics will work. We are on the right track."

Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a combination of the fundamental principles of Marxism-Leninism-Mao Zedong Thought with the realities of our socialist modernization effort. It is a scientific theory put to the test in the practice of modernization and reform and openness. In a vast country like ours, with its large population, with its relative economic and cultural backwardness, and with its development being very uneven, the building of socialism is a great cause with no precedent nor any ready-made experiences and models to follow as a guide. What road should be followed in socialist modernization, and in reform and openness, is a fundamental problem that we must solve first. Building socialism with Chinese characteristics is the correct conclusion drawn by our party in practice. This theory tells us that the kind of modernization we want to carry out and are carrying out is socialist modernization, and is by no means capitalist modernization, and, still less, "overall Westernization." Therefore, in the process of carrying out modernization, and reform and openness, we must at all times uphold the socialist direction. This means drawing a clear line of distinction where the line advocated by those involved in promoting bourgeois liberalization is concerned. Meanwhile, this theory also shows us that in carrying out socialist modernization, we must at all times insist on proceeding from the realities of China and follow a road with Chinese characteristics. Divorced from this fundamental prerequisite, the modernization effort, and reform and openness, will lose their bearing and go astray. Divorced from the characteristics of China, the socialist modernization effort will not be a success.

Since the 3d Plenary Session of the 11th CPC Central Committee, the theory of building socialism with Chinese characteristics has been our party's fundamental guiding thought, our party's fundamental line in the initial stage of socialism, and the theoretical basis for a series of general and specific policies. It has also been the ideological basis for the whole party, the whole Army, and the country's people of all nationalities in fighting in unity. All our achievements in these years of modernization, and reform and openness, have been with this theory as a guide. Certain setbacks and mistakes that have appeared have all been caused by the failure to consciously follow this theory in actual work. The recent turmoil and counterrevolutionary riot are a lesson. Those people upholding bourgeois liberalization are against the theory of building socialism with Chinese characteristics. They may at times work under the cloak of modernization, and reform and openness. But they want neither socialism nor Chinese characteristics. What they want is capitalism and "overall Westernization." Some comrades within the party, and Comrade Zhao Ziyang in particular, took an attitude of tolerance, encouragement, and support toward this ideological

trend of bourgeois liberalization. As a result, this ideological trend ran rampant, causing disaster. The process of our carrying out socialist modernization was seriously interfered with. This gives us education by negative example. At any time, we must unswervingly and firmly uphold the road and direction of building of socialism with Chinese characteristics.

Historical experience shows that revolution or construction cannot be divorced from the guidance of Marxist theory. As an important part of Mao Zedong Thought, the theory of building socialism with Chinese characteristics is a guide to our action in carrying out socialist modernization. From a long term point of view, this theory is a banner guiding our advance in the initial stage of socialism, or in the more advanced stage of socialist development.

Inflation, Rectification Viewed

*HK1711025589 Beijing JIEFANGJUN BAO
in Chinese 4 Nov 89 p 4*

[Fifteenth article in the series "Questions and Answers on Studying Jiang Zemin's National Day Speech": article by Shen Bainian (3088 2672 1628): "Why Should Gradual Elimination of Inflation Be Regarded as an Important Goal of the Improvement and Rectification Program"]

[Text] Thoroughly carrying out the guideline of improvement and rectification—this is the demand of the developing economic situation. Since the introduction of reform and openness, there have been tremendous achievements in our economic construction. This is clear to all. But some problems still exist in economic development. Especially since the 4th quarter of 1984, a trend toward overheating has existed in economic development. It has also gradually intensified, with a worsening in the economic mix and ever noticeable problems in the communications, transportation, and energy fields. This situation has not only caused a decrease in social economic results but also led to serious inflation. In 1985, the country's retail price index rose 8.8 percent. Such a big rise in commodity prices has very serious consequences. In his National Day speech, Comrade Jiang Zemin pointed out: We must "strive to spend 3 years or more fundamentally relieving the problem of overall social demand exceeding overall supply. We must gradually eradicate inflation, lifting the national economy out of its plight." This is entirely correct and necessary.

First, inflation affects social order and stability. According to reports by relevant departments, 21 percent of urban and rural residents in 1987 suffered from a decline in the actual level of income due to the rise in commodity prices. In 1988, there was a continuous increase in the number of residents whose actual level of income had dropped. Everyone talked about the problem of commodity prices and had much to complain about. The least sign of trouble was likely to give rise to

a scramble for purchases. As far as the world is concerned, serious inflation in some countries has even led to social turmoil. These lessons suffice to put us on guard.

Second, the excessive increase in commodity prices has brought great difficulty to the normal process of production. In 1988, the prices of the means of production rose 18.5 percent. The costs of comparable industrial products nationwide went up 12.3 percent. Many enterprises directed efforts toward strengthening management, reducing material consumption, and developing new products, and so forth, with certain results achieved in absorbing the rise in the prices of raw materials. But the technical level and management level of most of our country's enterprises are still relatively backward, with a weak capacity for absorbing the rise in the prices of raw materials. Therefore, a price markup is counted on as the only way to pass on the burden. Failure to do so will naturally add to losses, with the normal process of production difficult to maintain.

Third, an excessive rise in commodity prices can hardly be absorbed by the state budget. Last year, the state's hidden allowances of various kinds for urban and rural residents reached \$30 billion, rendering it difficult for the state to make both ends meet.

Fourth, inflation disrupts the normal order of economic development, causing economic chaos. The producers call for increased wages, because of the rise in commodity prices. A wage increase will naturally add to the costs of products. This will in turn push up the prices of commodities. Consumers will thus blindly scramble to purchase commodities, producing a tremendous impact on the market. A blind scramble for purchases is also likely to give production departments a wrong impression, leading to blindness in production and interference with the rational readjustment of the economic mix.

Why has inflation in the past few years reached such serious proportions? Involved here are objective factors and also shortcomings and mistakes in work. Objectively speaking, it is mainly a matter of our economy being in a stage of catching up, with a great pressure of increased demand. Our economic reform is also being placed in a period of the new system replacing the old. The mechanism for the operation of the economy is still very imperfect. On the one hand, the situation of "sharing from the same rice pot" has not fundamentally changed. Various self-regulating and self-restraining economic mechanisms have yet to be established. Meanwhile, with the old system smashed, many ways and means of regulation and control have lost their effects or can hardly play a role, while new macroeconomic systems of regulation and control have yet to be established. Many loopholes exist in management work. Given this situation, there is an unusually strong force stimulating an increase in demand. Mechanisms and systems capable of controlling and bringing such a demand within national means are very weak. As a result, rapid economic growth has given rise to increasingly obvious inflation.

As far as subjective factors are concerned, the main reason is that in economic construction and social development, impatience to get things done is a problem. The history of economic development since the founding of the PRC has made us understand the harm of too large a scale of development, too extended a front, and blind pursuit of high speed. But when things go relatively well, some comrades often overlook the actual situation, which is marked by our country's large population, weak economic base, and very uneven economic development. In the matter of reform, we uphold delegating power and stimulating the economy. This is right. But we have failed to quickly strengthen control and supervision, and to pay close attention to the establishment of a system of macroeconomic regulation and control. For example, there is an actual lack of effective concrete ways and means to control and supervise investments not included in plans, causing the size of investment in this sector to swell continuously—which is one of important factors responsible for too large a scale of national construction. Also, we have studied with insufficient thoroughness the chain reaction likely to arise from the full liberalization of prices and the problems likely to be generated. We have not had an adequate understanding of the long process involved in the formation of a new pricing mechanism. Given insufficient financial means and material resources as reserves, we have even carried out pricing reforms with emphasis, thus adding psychologically to mass panic over a rise in commodity prices. In many areas of the country, a scramble to purchase commodities and a drop in savings deposits have been brought about. Problems originally covered up by the high pace of economic growth have all surfaced at this time, causing certain chaos in the national economy.

After a period of rectification and improvement, serious inflation has been relieved. But the problem has not basically been solved. There is still no obvious turn for the better in the seriously distorted economic mix. To change this situation, we must firmly carry out the guideline of improvement and rectification.

Rectification, Reform Viewed

HK1711032389 Beijing JIEFANGJUN BAO
in Chinese 4 Nov 89 p 4

[Sixteenth article in the series "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Wei Liquan (7614 4409 5028): "How Should We Correctly Understand and Handle the Relationship Between the Improvement and Rectification Program and Reform?"]

[Text] Correctly understanding and handling the relationship between reform and the effort at improvement and rectification is a very important problem. Some comrades have set improvement and rectification in opposition to reform, holding the view that improvement and rectification smack of stagnation and retrogression. This is a misinterpretation of the guideline for

improvement and rectification. Improvement and rectification in no way mean retrogression and the abandonment of reform. The effort is not only a need in stabilizing and developing the economy, but also in deepening the reform.

First, the general direction for improvement-rectification and for reform is unanimous. In reforming the economic system, our aim is to change the old economic mechanism restraining the development of productivity through excessive and rigid controls, and to establish a new economic system, which is suited to the national conditions of China and is full of life and vitality. Fundamentally speaking, reform serves economic and social development. This requires that in considering the steps taken in reform, we must proceed from reality and toward solving economic and social problems confronting us, and toward stimulating steady economic growth, thus laying a material foundation for the next stage of reform. In no way can we divorce ourselves from realistic economic conditions and stimulate reform on the basis of idealized models. Ten years of facts show that every time we proceed from reality, reform can proceed smoothly. On the contrary, when we overlook concrete national conditions and stimulate reform on the basis of idealized models, we cannot avoid suffering setbacks, despite the display of great resolution. We must seriously sum up experiences and lessons in this respect to guarantee the advance of reform along the correct road.

At present, our economy has encountered many problems. The improvement and rectification effort aims at lifting the national economy out of its plight and putting it on the road to healthy development. This is entirely in line with the general direction for reform. The smooth progress of improvement and rectification will create a more relaxed benign environment for reform, thus stimulating it. During the period of improvement and rectification, reform must be subordinated to improvement and rectification. Reform must help toward stimulating improvement and rectification. Some reforms are to be carried out from a long-term point of view, which now affect improvement and rectification, must be delayed. For example, the pricing reform is the key to economic reform. This hurdle must be overcome. But it calls for an appropriately relaxed economic environment and a general balance between overall social supply and overall demand, to stimulate fair competition between enterprises. Meanwhile, the state must have financial and material resources in reserve to guarantee the smooth progress of the pricing reform. At present, we are not fully provided with these conditions. If we should arbitrarily introduce the pricing reform in an overall manner, it will naturally give rise to chaos in the whole national economy. The improvement and rectification effort now being made is to make the overheated economy cool down, eradicate inflation, and relieve the contradiction between supply and demand, allowing various chaotic situations in the economic area to be improved and thus creating a relatively benign economic

environment for the pricing reform. Those reforms unlikely to affect or hamper the improvement and rectification effort, such as perfecting the enterprise contract system, stimulating the perfection of labor combination, and so forth, must be penetratingly carried out. Some reform measures helping to eradicate inflation must be carried out with accelerated speed. In sum, we must combine improvement-rectification with reform and promote economic development.

Second, improvement-rectification measures are themselves important components of the reform program. What we want to establish is a new system of the socialist planned commodity economy. Therefore, we must combine delegation of power and revitalization with control and supervision. Some comrades always think that delegation of power and revitalization mean reform, and that strengthening control and supervision is not a matter of reform. Any good economic system must be capable of leaving the greatest room for the activity of economic factors and arousing enthusiasm in various fields. It must also be able to prevent the appearance of chaos. We delegate power and seek revitalization, changing the past system of inflexibility. This is of course the important goal of reform. But to establish a normal market order and the necessary system of macroeconomic regulation and control and a system of supervision and to eradicate the phenomenon of chaos in the economic field is also reform. Moreover, the results of power delegation and revitalization must also be consolidated only through the establishment of a new system of supervision and control.

Since the 3d Plenary Session of the 11th CPC Central Committee, we have introduced a series of reform measures. These reform measures tested in practice and by time show that most of them are correct. The main trends of some reform measures are good but not perfect enough. Some individual reform measures have been proven to have gone beyond the scope of reality. Through the recent improvement and rectification effort, we must consolidate the reform results already achieved. We must further perfect those reform measures that are still not perfect enough. Those reforms that have been unsuccessful must be stopped. We must seriously sum up experiences and lessons. Meanwhile, we must take this opportunity to further deepen the reform.

In his report, Comrade Jiang Zemin pointed out emphatically that any viewpoint or act intended to separate improvement-rectification from reform and set them in opposition is wrong. To be lukewarm toward improvement-rectification is to be lukewarm toward reform. Various areas and departments must maintain unity with the CCP Central Committee and the State Council, actively and seriously carrying the improvement-rectification guideline, creating a benign economic and social environment, guaranteeing the healthy development of the national economy, and stimulating the further development of reform.

Four Cardinal Principles Viewed

HK1711034389 Beijing JIEFANGJUN BAO
in Chinese 4 Nov 89 p 4

[Seventeenth article in series "Questions and Answers on Studying Jiang Zemin's National Day Speech"; article by Huang Xiaoxiang (7806 1420 4382): "Why When We Say That the Antithesis Between the Four Cardinal Principles and Bourgeois Liberalization Is Reflected, to a Great Extent, in the Problem of Whether or Not in Reform and Opening Up, Do We Persist in the Orientation of Socialism?"]

[Text] Fundamentally speaking, our party expounds and upholds the four cardinal principles for no other reason than to guarantee our country getting ahead along the socialist road under the leadership of the party. The most deadly part of bourgeois liberalization calls for eradicating party leadership, reversing the socialist direction, and putting our country in the capitalist orbit. Therefore, whether or not to uphold party leadership and the socialist road has always been the focus of the struggle between the four cardinal principles and bourgeois liberalization. In the past few years, those representatives of bourgeois liberalization have without exception directed the spearhead of their attack against party leadership and against our socialist system. They have tried their best to tarnish party leadership by saying such nonsense that the socialist system has restrained the development of productivity. On the other hand, they have energetically tried to beautify capitalism. Their purpose is to replace socialism with capitalism and bring about a great historical retrogression.

Such a sharp clash between the four cardinal principles and bourgeois liberalization finds concentrated expression in the problem of whether or not to uphold the socialist direction in reform and openness. Comrade Jiang Zemin pointed out: "On the matter of reform and openness, there have actually existed two sharply opposed views. One calls for reform and openness by upholding the socialist road, upholding the people's democratic dictatorship, upholding Communist Party leadership, and upholding marxism, as consistently advocated by the Party Central Committee and Comrade Deng Xiaoping; or reform and openness with a self-perfecting socialist system. The other view, in contrast and opposition with the four cardinal principles, calls for "reform and openness" by breaking with them and by upholding the bourgeois stand of liberalization, as advocated by those people calling for the "total Westernization" of China. There is an unusually clear contrast between these two views on reform and openness. Our version of reform and openness calls for upholding the leadership of the Chinese Communist Party and upholding the people's democratic dictatorship at all times, and for realistically strengthening socialist democracy, gradually perfecting the socialist legal system, and consolidating and developing the political situation of stability and unity. Their version attempts to eliminate party leadership and to bring

about a multi-party system and checks and balances, borrowing Western capitalism's so-called democracy and freedom in their entirety. Our version of reform and openness calls for upholding the socialist system of public ownership as the core in developing a diversified economy, upholding distribution according to work as the core in introducing various forms of distribution, and upholding the combination of a planned commodity economy with market regulation and the energetic development of the socialist planned commodity economy. Their version calls for fundamentally changing the socialist economic system and realizing economic "privatization." Our version of reform and openness calls for upholding the leading position of Marxism in the ideological area and energetically strengthening the building of socialist spiritual civilization. Their version calls for negating the guiding role of Marxism and accepting Western thinking and culture in their entirety. This is in essence "reform and openness" along capitalist lines, seriously blurring the direction for socialist reform and openness and interfering with the healthy development of socialist reform and openness.

Health Minister Discusses Aids Prevention

OW2911061189 Beijing XINHUA in English
290302 GMT 29 Nov 89

[Text] Paris, November 28 (XINP/UA)—Chinese Health Minister Chen Minzhang said here today that prevention of AIDS should focus on propagational education.

Chen, current chairman of the World Health Assembly (WHA), is now in Paris attending an international conference on "the spread of the AIDS virus from mother to baby" cosponsored by the French Government and the World Health Organization (WHO).

According to statistics by the WHO, there are about six million AIDS virus carriers in the world. Among them, two million are women, most of whom are of child-bearing age. Therefore, Chen said, extreme attention should be paid to the channels through which the virus is spread from mother to baby. Referring to AIDS in China, Chen said, the threat of AIDS is greater in highly-populated areas. Although very few cases of AIDS carriers have been located in China, the question cannot be viewed too optimistically, as prostitution, venereal diseases, and drug problems are becoming serious in some cities and regions.

China, Chen continued, has issued regulations on AIDS. In 1984 the Health Ministry set up a working group on AIDS prevention. The group is presently researching a diagnostic reagent, the preliminary findings showing some promise.

Economic & Agricultural**Chen Muhua Cites Foreign-Funded Firms Support***HK2811143889 Beijing ZHONGGUO XINWEN SHE in Chinese 1346 GMT 28 Nov 89*

["Chen Muhua Says China Will Continue To Support the Development of Foreign-funded Enterprises"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 28 Nov (ZHONGGUO XINWEN SHE)—Today, Chen Muhua, Vice Chairman of the Standing Committee of the National People's Congress, said that China will continue to give financial support to the three types of enterprises with foreign investment.

Chen Muhua said this when meeting with Henry Fok, Tao Kai-yu, and Chien Fu-yi, who are celebrities in Hong Kong and Macao, at the opening ceremony of the "1989 Exhibition of Products Produced by the Three Types of Enterprises With Foreign Investment and Export-oriented Enterprises in the Whole Country."

Chen Muhua admitted that at present, complaints about the lack of necessary funds were heard in various localities of China, and even some foreign-funded enterprises also find themselves short of working funds. However, she said that the measures for improving the economic environment and rectifying the economic order are necessary, and it is now the time to adjust the structure of industrial production and for the enterprises to adjust the structure of their products.

Chen Muhua stressed that the economic improvement and rectification will not abolish good policies and will not result in returning to the old path; instead, the purpose is to consolidate the foundation for advances. Economic development will help promote social stability.

Chen Muhua also said that China is facing the debt repayment peak. According to the present conditions, China will be able to repay the foreign debts, because consideration was given to the ability to repay debts when the loans were contracted. In this regard, China still enjoys a good reputation.

Official on Foreign Exchange Loans Regulations*HK2011113189 Beijing RENMIN RIBAO in Chinese 14 Nov 89 p 2*

[Text] Beijing, 12 November—Recently, the responsible person of the State Administration of Exchange Control answered questions raised by reporters from the NEW CHINA NEWS AGENCY in connection with the promulgation and implementation of "Measures for Registration and Management of Foreign Exchange (Transfer) Loans" and "Specific Regulations Concerning Registration of Foreign Debts."

Question: What is the purpose of promulgating "Measures" and "Specific Regulations"?

Answer: The "Measures" are a new attempt to strengthen registration and management of indirect debts. This will help various provinces, municipalities, and autonomous regions as well as various departments of the central authorities to acquire a clear understanding of the situation concerning their respective foreign exchange debts; and how their foreign exchange loans should be used in a scientific way, raising their utilization rate. It is an important step forward in perfecting the system of counting, supervising, and measuring the use of foreign exchange loans.

"Specific Regulations" have been formulated to ensure a better implementation of "Interim Regulations for Counting, Supervising, and Measuring Foreign Debts," which was promulgated by the State Administration of Exchange Control on 27 August, 1987. They are specifically aimed at strengthening the registration and management of direct foreign debts. They will help further increase the transparency of our country's foreign debt management and help units that borrow foreign exchange loans and the relevant banks to understand and familiarize themselves with the specific measures and procedures concerning foreign debt registration and management; and to ensure that all foreign debts will be counted, supervised, and measured in a timely, comprehensive, and accurate way.

Question: To what extent are the "Specific Regulations" applicable?

Answer: The regulations and procedures prescribed are unified and equally applicable to both the registration of direct foreign debts and of foreign exchange (transfer) loans.

Question: Can you elaborate on the concept of foreign exchange (transfer) loans? What is the difference between them and direct foreign debts?

Answer: The loans refer to the domestic foreign exchange funds borrowed by domestic units which undertake to repay them in foreign currency according to the terms outlined in a relevant contract. This means that the creditors are domestic units, while the debtors are domestic units that use the loans and repay them in foreign currency. The creditors of direct foreign debts are overseas institutions, while the debtors are domestic units that borrow foreign exchange loans directly from overseas institutions.

Question: Is there any difference between the documents to be submitted by the debtors of the loans upon registration and those submitted by the debtors of direct foreign debts?

Answer: When registering foreign exchange (transfer) loans, the debtors only have to submit their loan transfer agreements or contracts to the relevant departments, whereas the debtors of the debts have to submit both their loan agreements and an official certificate of approval for borrowing foreign loans (exemption is only given to foreign-invested enterprises).

Question: How will the loans used by the units of the central authorities in various localities be registered?

Answer: The loans used in various localities can be registered in the following ways: First, the central authorities will be responsible for registering the loans that they have undertaken to transfer, borrow, and repay; second, the loans that the central authorities have undertaken to transfer and borrow, but that the units in various localities have undertaken to repay, or the foreign exchange loans transferred, borrowed, and repaid by the units of the central authorities in various localities should be registered by the local units concerned with the relevant local administration of exchange control. In this regard, the foreign exchange income and expenditure of the central authorities are not linked with those of its units in various localities; third, if the foreign exchange income and expenditure and the foreign exchange loan repayment of the units in various localities are linked with those of the various localities, then the units of the central authorities should undertake to register such foreign exchange (transfer) loans with the relevant local registration departments.

Foreign Firms Urged To Apply for Import Licences

*OW2911115689 Beijing XINHUA in English
1054 GMT 29 Nov 89*

[Text] Beijing, November 29 (XINHUA)—The director of the State Administration for the Inspection of Import and Export Commodities has urged foreign businessmen to apply for quality certificates on imports as soon as possible.

Zhu Zhenyuan said yesterday the administration announced in early August this year that quality certificates on imports of nine important products would be required from next May. Most foreign businessmen and enterprises had cooperated, and more than 70 of them from Japan, Sweden, and the United States had applied. Seventy-three certificates had been issued.

However, Zhu said, some foreign businessmen are still hesitating to apply. He hopes that foreign factories will study the Chinese regulations and criteria, revise the designs of goods in accordance with them, and supply samples to China.

He said the Chinese departments concerned with the inspection of import and export goods had been well prepared for implementing the licensing scheme. A complete system of examinations had been set up and specialized personnel had been trained.

Zhu explained that quality licensing of imports was practiced throughout the world. It was to protect the interests of the state and the consumers that China decided to introduce it.

Rules for Foreign Commodity Inspection Offices

*OW2911085089 Beijing XINHUA Domestic Service
in Chinese 1625 GMT 28 Nov 89*

[Text] Beijing, 28 Nov (XINHUA)—The General Office of the State Council said in a circular distributed to various localities and departments on 25 November that if foreign commodity inspection organizations want to invest in establishing offices in our country to do the business of import and export commodities inspection, approval must be obtained from the State Administration for Inspection of Import and Export Commodities [SAIIEC], and the offices established must be subject to the control of the same administration.

The General Office of the State Council pointed out: If a commodity inspection office is established without the approval of the State Administration of Import and Export Commodities Inspection, economic and trade departments and their designated organizations should not accept any documents submitted by that office for examination and approval, nor should industrial and commercial administration departments accept its application for registration. Establishment of such offices without the above-mentioned approval must be banned. As regards import and export commodities inspection offices already established without the above-mentioned approval, they must be examined and appraised by the State Administration of Import and Export Commodities Inspection. Those that are really needed and can certainly meet the required qualifications may be retained after approval is obtained from the State Administration of Import and Export Commodities Inspection. In that case, they have to go through the formalities as required. Those that are not needed and cannot meet the required qualifications must be closed down.

Large Firms Stalled by Financial Crisis

*HK2011024589 Hong Kong HONGKONG STANDARD
(BUSINESS STANDARD) in English 20 Nov 89 p 3*

[By Cheung Lai-kuen]

[Text] Moves by foreign banks to tighten up lending for projects in China following the June 4 turmoil has affected new commitments to very large projects but not medium or small ones, according to the head of a China-backed investment company in Hong Kong.

Zhou Yunzhong, president of Hong Kong Macao International Investment (HMI), told BUSINESS that projects in China had found it difficult to obtain financing from foreign banks since June 4.

Mr Zhou said foreign banks had adopted a very cautious attitude to mainland projects.

He said negotiations for a syndicated loan to finance the construction of a power station on Hainan had collapsed as a result of June 4.

The total investment in the 250,000 kwh thermal power station was U.S.\$75 milion. The first 125,000 kwh unit had been completed this summer and the second unit was expected to be completed next March, Mr Zhou said.

After June 4, discussions on a syndicated loan had been suspended because foreign bankers were cautious, he said.

Mr Zhou said HMII had to pay the U.S.\$37.5 million construction cost of the first unit from its internal resources and with credit from banks.

He said the first unit was ready to start operating but it had not started yet because Hainan currently had an adequate electricity supply.

Hainan Province, the largest special economic zone in China, faced serious electricity supply shortages last year when both domestic and foreign investors flocked in after the Chinese government said it was the most open special economic zone in the country.

However, demand for electricity slowed down after June 4 due to the weakness of investment sentiment.

Mr Zhou said HMII was negotiating with Hainan province to change the status of the power station from being wholly owned by HMII to a joint venture with the Hainan Electricity Company.

He said the details were still under negotiation and expected the stakes would be equally divided by the two sides.

He said HMII was not worried about future profits from the power station because a secure electricity supply was a key factor to attract foreign investments, especially as many cities in China have severe electricity supply shortages.

Mr Zhou said HMII remained confident about the prospects for Hainan province although it would share China's general slowing down in economic growth for the next two or three years.

He said development of HMII's Industry Zone in Hainan had progressed smoothly in the past few months.

Mr Zhou said 16 developments, 11 joint ventures and five wholly foreign owned, had been established in the 3.3 sq km zone.

He said HMII had been involved in 13 projects with a total investment of HK\$100 million.

He expected investment sentiment in medium and small projects would not be affected by the reaction of foreign bankers or China's domestic economic problems.

He said, HMII had committed itself to another 13 investment projects this year worth HK\$100 million, in addition to the investments in Hainan..

Mr Zhou, who took up his post after HMII restructured a year ago, said the decision to curtail the scope of capital construction investment by the central government had created new investment opportunities for foreign investors

He said HMII had found more opportunities to set up joint ventures in China with established factories since the central government decided to curtail capital construction.

"Some factories also lack capital input because of controls on credit supply and the nationwide shortage of capital," he said.

"Some of them might have built factories and employed work forces but they still had to halt production because of lack of working capital to upgrade their production," he said.

"These are ready made opportunities if the products have export potential," Mr Zhou said. He said HMII had signed a joint venture agreement with Jinan Paper Factory to manufacture thermal paper for facsimile machines.

Mr Zhou said thermal paper had great potential in China's domestic and the overseas market. He said there were only about 2,100 facsimile machines in Hong Kong in 1985, but the figure had increased to more than 60,000 last year.

State Council Approves Streamlining Proposal

OW1711150289 Beijing XINHUA Domestic Service
in Chinese 0823 GMT 7 Nov 89

[Text] Beijing, 7 Nov (XINHUA)—The State Council approved and circulated the Materials Ministry's suggestions for further streamlining materials companies. The suggestions proposed that the emphasis of streamlining materials companies should be on merging some companies not qualified for dealing in important industrial means of production and on solving the problem of chaotic operations because too many companies are engaged in the circulation of the means of production.

The suggestions clearly stipulate that the following five categories of materials companies must disband:

1. Materials companies run by party and government organs, public organizations, and their offices in other localities;
2. Materials companies not qualified in actual registered capital, professional personnel, location of operation, and organization;
3. Materials companies taking advantage of the "double track" price system and engaging in illegal speculation to earn exorbitant profits;
4. Joint operation companies dealing in important industrial means of production set up by materials

companies and enterprises and other units not qualified for dealing in important industrial means of production;

5. Materials companies set up by departments in charge of production which have been required by State Council regulations to hand over their materials supply and marketing organs to the administration of the Ministry of Materials.

The suggestions point out: In accordance with the State Council's provisions, a department in charge of production which has not handed its materials supply and marketing organs over to the administration of materials departments may, in principle, have only one materials supply and marketing organ. Supply and marketing organs of production enterprises must be strictly controlled to prevent such organs from being set up at various levels. The number of collective enterprises engaged in dealing in important industrial means of production must be strictly controlled, and they must not be allowed to operate without the approval of materials departments. Private enterprises and individual industrial and commercial businesses are not allowed to deal in important industrial means of production except for products manufactured and marketed by themselves. All labor service companies are also not permitted to deal in important industrial means of production. Supply and marketing cooperatives dealing in relevant important industrial means of production should be handled in accordance with the State Council's relevant provisions.

The suggestions also stipulate that all companies and individual industrial and commercial businesses that have been disqualified for dealing in important industrial means of production must cease operations immediately and complete dissolution or transformation registration procedures with the industrial and commercial administrative organs in their localities. Their unsold important industrial means of production will be bought or sold by legal materials companies in their localities on their behalf.

Song Jian Addresses Technical Supervision Group

Stresses Quality Control

OW2911060789 Beijing XINHUA Domestic Service in Chinese 1250 GMT 28 Nov 89

[By reporter Jiang Zaizhong (1203 0961 1813)]

[Text] Beijing, 28 Nov (XINHUA)—Song Jian, state councillor and minister of the State Science and Technology Commission, pointed out at the national conference on technical supervision which closed today: The current efforts to improve the economic environment and rectify the economic order provide the best opportunity for strengthening quality control. All departments and all professions and trades should adopt measures to improve the poor quality of our industrial products as soon as possible.

Song Jian said: Poor quality of products and low economic efficiency remain serious problems obstructing China's economic development at present. According to a survey conducted by the departments concerned on the quality of industrial products of this year's first 9 months in 72 major industrial cities, only about 65 percent of those cities could maintain or improve the quality of their products. Spot checks on market commodities showed that their quality was the poorest in recent years, as less than 75 percent met quality standards. Even the quality of industrial products in some big counties fluctuated or became poorer, while in the past it was always quite good.

Song Jian emphatically pointed out: The "decision" of the 5th Plenary Session of the 13th CPC Central Committee has attached even greater importance to quality control work. All workers and staff members engaged in scientific research and development, manufacturing, transport, storage, marketing, and maintenance and repair work and all leading comrades should display the spirit of being highly responsible to the state and the customers. They should also seriously and consistently establish the notion of "quality first"; pay great attention to quality control in the course of industrial production; wage a resolute struggle against producers and sellers of fake and poor-quality commodities; rectify order in the fields of commodity production and circulation; and contribute to improving the economic environment and rectifying the economic order.

Promises Supervision

OW2511081489 Beijing XINHUA in English 1212 GMT 24 Nov 89

[Text] Beijing, November 24 (XINHUA)—A government official said here today that China will spend the next three years eliminating low quality and fake goods which have appeared in China's markets in large quantities in recent years.

Addressing the first national conference on technical supervision, Song Jian, state councillor and minister of the State Commission for Science and Technology, said that the government will also establish strict technical supervision network and a regular organized enforcement system.

Although the quality of Chinese products has greatly improved over the last 10 years, Song said, poor quality and low economic efficiency still remain severe problems.

The large amount of shoddy and fake goods that have entered the markets, Song warned, will seriously harm the country's economic order and damage the interests of the state and the consumers.

Song urged the technical supervision organizations at all levels to strengthen their investigations into commodities on the markets.

According to Xu Zhijian, director of the State Administration of Technical Supervision, the quality of Chinese products has been unstable this year. Although the local governments have taken strict quality control measures since last March, poor quality goods are still entering the markets.

Statistics released by the China Quality Control Association recently show that shoddy products from 108 well operated enterprises account for 1.5 percent of their total industrial output value. As a result, the annual loss to the whole country in this case would reach 18.3 billion yuan.

Article Views Rectification Efforts

OW2711195389 Beijing BEIJING REVIEW in English
No 48, 27 Nov-3 Dec 89 pp 16-18

[Article by staff reporter Li Ping: "Initial Success for Economic Rectification and Improvement"]

[Text] Editor's note: In the first nine months this year, China has gained initial success in rectifying and consolidating the national economy but some new problems have occurred, according to the State Statistical Bureau. [end editor's note]

From January to September, China made some achievements in the rectification and consolidation of the national economy. Supply continued to increase, the economic structure improved, consumer demands initially were gotten under control, the recovery of money went well, the rate of price increases decreased monthly and the contradiction between supply and demand eased. As a result, the economy as a whole is developing favourably. Supply and demand, however, caused by the overheated economy in the past few years, remain unbalanced and the structural contradiction still exists. With the deepening of rectification and improvement, some problems have cropped up along with the progress.

Achievements

The National Economy Continues to Grow. In the first nine months this year, the gross national product, based on comparable price, increased by 5 percent over the same period last year. In agricultural production, although there were serious natural calamities in some parts of the country, there was a record harvest of early rice. The total output of summer crops and early rice increased by 3.51 million tons over the same period last year. By the end of September, the amount of grain purchased by the state increased by 4.95 million tons over the same period of 1988, including an increase of 3.27 million tons sold by way of signed contracts. The areas sown for autumn grain expanded and with the occurrence of serious natural calamities, the output of autumn grains is expected to be lower in some areas of three northeast China provinces (Jilin, Liaoning and Heilongjiang Provinces) and north China. In other areas a good harvest is still expected. Meat production keeps increasing. Aquatic, fresh vegetable, fresh fruit, silk-worm cocoon production are better this year than last.

From January to September, the total industrial output value throughout China amounted to 961.7 billion yuan, an increase of 8.9 percent over the same period last year. And its growth rate dropped by 8.6 percentage points. Of this sum, the state-owned sector registered 599.5 billion yuan, up 5.2 percent and the collective sector 321.3 billion yuan, up 12.5 percent (including 144.1 billion yuan for rural industries which were up 17.4 percent).

Investment in fixed assets under control. First, since the start of economic cleanup, more than 18,000 fixed assets projects have been halted and suspended throughout the country. This is expected to reduce investment by 67.5 billion yuan. Second, the number of newly opened projects has been reduced considerably. In the first nine months this year, there were a total of more than 10,000 state-owned capital construction and renovation projects each involving more than 50,000 yuan, a two-thirds drop over the same period last year. Third, progress has been made in reducing investment. In the first nine months this year, the state-owned sector's investment in fixed assets came to 126.1 billion yuan, a drop of 9.7 billion yuan or 7.2 percent from the same period last year. Of this sum, a total investment of 77.4 billion yuan went into capital construction, down 5.2 percent, and some 34.9 billion yuan into renovation, down 17 percent. If price factors are taken into consideration, the actual cut was more than 20 percent, the largest decrease since 1982. At the same time, the investment structure has improved. From January to September, a total investment of 33.6 billion yuan went into the energy field, an increase of 5.3 percent, the proportion in the total investment increasing from 23.5 percent in 1988 to 26.7 percent in 1989. The proportion investment in raw materials, transportation and communications, agriculture and education picked up. [as received] The construction of office buildings, halls, hotels and hostels has been brought under control. To date, some 2,500 such projects have been halted and suspended. This is expected to reduce investment by some 26 billion yuan. However, it is still far from fulfilling the requirements of the plan. **Consumer demand initially harnessed.** In the first nine months, payments to workers and staff members were 178.4 billion yuan, an increase of 18.2 percent, including 31.4 billion yuan in bonuses, up 26.7 percent. The growth rate dropped by 19.9 percentage points compared with the same months last year. China's banks paid 12.5 billion yuan in wages to rural enterprises and institutions, up 11.3 percent, and the growth rate dropped by 22.4 percentage points over the same period in 1988. Government departments and social institutes paid 52.1 billion yuan for consumer goods, an increase of only 6.2 percent over the corresponding period last year. The above, if allowing for price hikes, represents an overall minus growth in consumer demand. The supply on the retail market in the year is expected to be 40 billion yuan short of demand, compared with last year's 80 billion yuan.

Bank loans under control with balance between cash receipts and payments turning for the better. Since efforts

were made to launch inflation-proof deposits and control the issue of credit and money, cash revenue and expenditure signs are positive. Based on the beginning of the year starting balance, the deposit-loan difference of banks and credit co-operatives throughout the country dropped by 29.8 million yuan by the end of September as against the same period last year. Also by the end of September, banks had recovered some 5.16 billion yuan. They had issued a net of 39.6 billion yuan in the first three quarters last year.

Growth rate of prices slowed. In the first nine months of this year, the general level of retail prices throughout the country increased by 22.3 percent over the same period last year, including a 25.8 percent rise in April, 24.3 percent in May, 21.5 percent in June, 19 percent in July, 15.2 percent in August, and 13 percent or so in September. This year, the main characteristics of price fluctuations are: First, there was few new factors [as received] contributing to price hikes. From January to September, new inflation for the entire country accounted for 7.6 percentage points of the retail price index, much lower than last year. Second, the growth rate of the price index of basic living expenses in cities dropped sharply, from 26.2 percent in January to 8 percent in August. Third, the price of non-staple foods was basically the same as last December.

In the first nine months this year, total volume of retail sales amounted to 607.3 billion yuan, an increase of 12.3 percent over the same months last year. Allowing for price hikes, it actually dropped by 8.2 percent. This is the first time in a decade there has been such a big decrease.

Problems

Economic operation of the first nine months of the year indicated that achievements had been made in macro-economic rectification and improvement. The development was basically favourable and advanced towards the predetermined direction. Some new problems have occurred, however, and aroused the attention of relevant departments.

Industrial growth rate declined sharply. Since entering the third quarter, the monthly growth rate of industry has been slower. Compared with the same period last year, there was an increase of 9.6 percent in July, 6.1 percent in August, and only 0.9 percent in September, the lowest for a month in this past decade. Industrial production in the fourth quarter is expected to increase slowly. The reasons for these include both economic and non-economic factors. First, economically, some measures to reduce investment and control consumption have effectively lightened the market pressure on industry. For example, processing and high-grade consumer goods industries were stagnant; their production was brought under control. Also, rural enterprises' production dropped sharply. Second, an excessive industrial increase of the past few years allowed the proportion between agriculture and industry to expand beyond control to bring more restrictions to bear upon basic

industries. Production that used agricultural and sideline products as raw materials was considerably slowed. With a lack of electricity, coal and raw materials, production in some arrears operated under capacity. Third, enterprises had some difficulties in circulating funds, and were in credit arrears of nearly 100 billion yuan. As a result, the normal development of production was restricted. Basing their judgment on non-economic factors, some enterprises didn't fully understand the country's policies and so had some doubt about the reason for their implementation. Generally speaking, the drop in industrial rate in recent months was principally based on the excessive growth rate of industry last year. But, the average growth rate was not low while the industrial production level remained very high. For instance, the average daily output value in September increased by 5.6 percent over the same month last year and when viewed against the drop in growth rate, the industrial structure has done well. The growth rate of energy, electric power, raw materials and some products for the support of agricultural production picked up steadily. This is the inevitable outcome of various measures of the rectification and improvement. Of course, the influence of various non-economic factors on production should be prevented and corrected so as to maintain a favourable increase of industrial production.

Sales on market declined. Since summer, discount sales have spread throughout China. Although prices of goods have dropped by 5-30 percent, the purchasing enthusiasm still remained low and domestic sales weakened. Compared with the same months last year, total volume of retail sales in July increased by 7 percent and dropped by 0.7 percent in August and 1.1 percent in September. If allowing for price hikes, the drop was actually larger. Sales volume of most commodities dropped, the first time in the last decade. The reasons for such stagnant sales are: First, the raised interest rate of inflation-proof deposits, the issuing of government bonds and the raising of funds in society siphoned off some of the purchasing power. Second, the masses last year purchased a great number of commodities and so current sales on the domestic market are affected. Third, the institution of the policy of honest and clean government improved the general climate of society. The waste of public money, unnecessary banquets and indiscriminate issuance of money and goods were all reduced. With excessive prices, poor quality and unmarket ability, overall consumption of some products were lowered. [sentence as received] Meanwhile, the appearance of a buyers' market for some products helped to readjust the structure. It should be noted, however, that stagnant sales on the market had a negative influence on China's economic development. Both commercial and industrial supplies, for example, were overstocked. A rough estimate of the average growth rate between 1984 and 1988 shows that the stocks for industrial and commercial enterprises were 50 billion yuan above the normal rate. Most of the newly issued floating funds for industrial enterprises were held up in stocks, constituting an important reason for short supply of funds. If this

situation continues for a long time, China's economic stability will be adversely affected.

Economic returns for enterprises dropped. In the first nine months of the year, the amount of taxes and profits turned over to the state by budgeted state-owned industrial enterprises increased by only 1.8 percent over the same period last year. Of this, profits had a drop of 16.2 percent. By the first half of the year, the losses of enterprises in the red exceeded last year's annual level and by the end of September, it had reached 9.8 billion yuan, an increase in losses over last year of 120 percent. Production costs rose by 20.1 percent. Meanwhile, the amount of enterprise taxes and profits in arrears was 7.69 billion yuan, an increase of 3.05 billion yuan over the same period last year. Overall, economic returns for commercial enterprises were low, their profits down and expenses up.

Unbalanced finance and foreign exchange revenue and expenditure. As economic returns dropped and price subsidies increased this year, the revenues were reduced while expenditures increased. The result is that the annual budget will be very difficult to be fulfilled.

Resources for exports are in short supply. The imbalance of foreign trade expanded this year because of difficulties in the turnover of funds and the turbulence and counter-revolutionary upheaval which took place during May and June. Non-trade earnings in foreign currency were not as good as desired and the contradiction between revenue and expenditure in foreign capital is sharpening. From January to September, the total volume of imports and exports according to customs amounted to 78.9 billion yuan, an increase of 14.3 percent over the same months last year. Of this sum, exports accounted for 36.2 billion yuan, up 10.6 percent, and imports 42.7 billion yuan, up 17.7 percent. Allowing for processing of supplied materials, the equipment imported by foreign businessmen as investment and donation, as well as materials which entered without payment of foreign capital, the cost of import was 3.9 billion yuan more than exports. By mid-September, the favorable balance between non-trade cash revenues and expenditures was 2.17 billion yuan.

Finally, agricultural production is in a difficult situation. With the deepening of rectification and consolidation, the pressure of unemployment will tend to expand. This is caused by the surfacing of the contradictions pent up in the past few years and cannot be avoided in the process of retrenchment.

Commentator's Article Discusses Market Slackness

*HK2711014589 Beijing JINGJI RIBAO in Chinese
7 Nov 89 p 1*

[Commentator's Article: "It Is Necessary To Correctly Analyze 'Economic Slackness'"]

[Text] The fourth quarter of every year is usually regarded as a brisk season in the markets. However, this

year's fourth quarter is almost half way over, and the markets remain as quiet as in the previous few months. The total volume of retail sales has been growing at a lower and lower rate every month. In August and September, there was negative growth. It is estimated that there was no positive growth rate in the volume of retail sales in October. In addition, even though prices have continued to fall, the less expensive goods have lost their appeal for consumers, who have become more choosy. In a number of national order-placing meetings, there were too many commodities and too few customers, and only a small quantity of transactions were successfully concluded. Many people have therefore described the market conditions of this period as "slack." Is this opinion correct? It is necessary to correctly analyze this.

I

First, we say that the "slackness" is merely a partial phenomenon. Among the several major categories of commodities, it is mainly clothing and goods for daily use that do not sell well enough. However, the supply of foodstuffs and household fuel, which account for over 60 percent of the total volume of retail sales, remains rather strained. In particular, food grain, edible oil, meat, eggs, and household coal continue to be rationed. There is no "slackness" in the sale of these commodities. Between January and September, the domestic sale of fresh eggs increased by 8 percent over the same period last year; the sale of pork also began to rise in September; and the retail sales of agricultural producer goods between January and September increased by 14.9 percent. The sale of chemical fertilizer increased by nearly 3.7 million tons, or 5.1 percent over the same period last year. As for clothing and goods for daily use, we should not say that they are not selling well. By carefully analyzing concrete items, we may find that some goods in these categories still sell very well. According to monthly sales reports submitted by large department stores in 30 provincial capitals and some major cities, the sales of 11 out of the 22 categories, including knitwear and cotton textiles, footwear, enamelware, glass utensils, detergent, cosmetics, children's toys, recreational and sports goods, and jewelry, increased in the first 9 months. The commodities whose sales increased by a rather large margin over last year included athletic clothes, washing powder, imported cameras, electronic organs, student exercise books, fountain pens, color television sets, video recorders, radios, fully automatic washing machines, carpets, and golden jewelry. Some new commodities and inexpensive and high-quality commodities are also quite marketable.

II

Then is the "slackness" a normal or abnormal phenomenon? Normality and abnormality are relative. First, it should be noted that last year's market conditions were abnormal: Prices soared; panic purchasing occurred again and again; large amounts were withdrawn from the banks; and people vied against each other to buy whatever they could, whether or not they really needed the

items and whether or not the goods were good or bad in quality. To a certain degree, this year's decrease in sales was caused by last year's excessively large volume of sales. Take the sale of grain at the official price as an example. The volume of grain sales decreased by more than 1 billion kilograms as compared with the same period last year. This is strange because since the urban population is increasing and the number of people consuming commodity grain is increasing, the sale of grain at the official price should be increasing every year. Why did the sale of grain decrease? If we recall last year's situation in which the urban residents lined up in front of the grain shops and carried home bag after bag of wheat flour, then it is not difficult to determine which situation was abnormal and which was normal. Compared with the volume of retail sales in 1987, the volume in the first 9 months of 1989 increased by 45.3 percent, and this marked an average annual increase of 20.6 percent. If the factor of price increases is considered, there was still an increase of several percentage points, and this was not very different from the average growth rate of retail sales in the past few decades in our country. That is to say, things in 1989 were still basically normal.

In discussing the issue of normality, we should also consider the periodic changes in the market conditions. An opinion that has existed for a long time is that the socialist market must become more and more active and brisker every year. However, in reality, this is not the case. In fact, the peaks and nadirs appear alternately. The increase in commodities may lead to the decrease in commodities in the coming period, and the decrease in commodities may also lead to an increase in commodities. The markets make advances alongside such fluctuations. In recent years, with the development of large-scale socialized production and the planned commodity economy, the periodic phenomenon has become more obvious in the market conditions. According to the Commercial Information Center in the Ministry of Commerce, the volume of retail sales calculated by scientific methods will undergo a low-high-low cycle every 2 years, and the 1987-1989 cycle will soon depart from its nadir. As the busy market situation will not last long, the "slack" market condition also will not last too long. If the market does not suddenly and sharply rise and fall due to some irresistible factor, then we have every reason to regard the current temporary and inevitable "slackness" as a normal phenomenon.

III

Fundamentally speaking, our market is a market in a shortage economy, and the main contradiction lies in the fact that gross demand often exceeds gross supply. Therefore, the strained supply situation will exist for a long time to come. Through the superficial phenomenon of stability in the market and having a sufficient supply of commodities, it is still not hard for us to notice the following grim facts:

First, the price stability is supported by huge financial subsidies. This year price subsidies allocated from the

state budget amounted to over 40 billion yuan. In Beijing, 60 percent of the municipal financial expenditure was used for price subsidies, and this increased by 25 percent over last year and almost reached the limit. The state financial situation in our country is basically determined by the economic growth rate. That is, when industrial production grows at a higher rate, the financial revenue of the state also increases at a higher rate. However, the industrial growth rate is now falling, and this will inevitably affect the state revenue and will further affect price subsidies and market stability.

Second, purchasing power is now being diverted to savings, which only postpones consumption. In the first 9 months of this year, the proportion of sales income in the cash income of various banks declined from 40 percent in ordinary times to 37 percent; while the proportion of credit income, such as savings, rose from 33 percent to 38 percent. For the first time in many years, the amount of currency retrieved from savings exceeded the amount of currency retrieved from the sales of commodities. As everyone knows, the currency retrieved from circulation through savings does not represent the final accomplishment of retrieving the money from circulation. It is expected that by the end of this year, savings plus the cash remaining in the hands of residents throughout the country will constitute a purchasing power of over 700 billion yuan, which is equivalent to the volume of retail sales for more than 10 months. This will form increasing pressure on the market.

Third, the effective supply for the markets will not be maintained sufficiently for a long time, and the foundation for the market stability remains rather vulnerable. In the first place, the agricultural production situation is not optimistic. This year, many corn producing areas in north China have shown various degrees of decrease in their grain output, and the fair prices for various feed grains have risen by a big margin. This will seriously affect various productive foodstuffs and nonstaple food. In some areas, peasants have begun to kill pigs and stop raising baby pigs. Secondly, due to the shortage in foreign exchange, we have to greatly increase exports and restrain imports. As a result, a large number of raw materials and key parts needed in the domestic markets and in light and textile industries will face decreases and even shortages. In our country, the volume of imports and exports accounts for over 25 percent of the GNP, and this proportion is higher than those in many developed countries and indicates the heavy dependence of the domestic markets on the international markets. Thus, the adverse influence in this aspect must not be underestimated. Third, the commercial institutions do not keep a sufficient stock of goods and thus lack the capacity to regulate supply and demand on the markets. According to statistics, the stocks of 32 out of the 58 major commodities handled by the state commercial institutions decreased at the end of September as compared with the same period last year, and the stocks of other commodities did not increase at the standard rate.

Due to the shortage of funds and high interest rates, many commercial enterprises could not or did not dare replenish their stock of goods. Although goods worth over 100 billion yuan are now stockpiled in industrial enterprises, not many of these goods are marketable since they are low in quality and expensive.

IV

The conclusion we draw about the issue of "slackness" should be in line with the far-reaching effects of the economic improvement and rectification of reform and long-term development.

The first point of the conclusion: The market slackness, or the cooling down of the market, is a normal phenomenon. In a certain sense, this is an inevitable result of the economic improvement and rectification and is evidence of the effectiveness of such measures as tightening credit, restraining demand, curbing inflation, and overcoming disorder.

The second point of the conclusion: Through the superficial phenomena, we should notice that the contradictions at a deeper level are still far from being settled, so efforts should be focused on adjusting the production structure, improving the ratios between various economic sectors, and keeping the balance between supply and demand. It is necessary to firmly and properly further the measures for improving the economic environment, rectifying the economic order, and deepening reform, and the efforts must not be given up halfway.

The third point of the conclusion: For the markets in which some goods sell well and other goods do not sell well, we should make dual preparations. On the one hand, it is necessary to ensure the supply of major commodities and the people's daily necessities, thus stabilizing the markets. A sufficient stock of these goods should be kept by the commercial institutions. The sale of some goods should even be brought under control or be appropriately restrained. On the other hand, efforts should be made to promote the marketing of some oversupplied goods. To achieve this purpose, the service style of the commercial units should be improved, and efforts should be made to broaden the rural markets for these goods. The sales during the busy season should be greatly increased. As the bridge or the reservoir between the producers and the consumers, the commercial institutions should play a major role in both aspects. Funds, loans, and subsidies should be arranged with a bias favorable to the commercial institutions so that they will play a role in promoting the marketing of goods and in turn supporting production, thus realizing the objective of adjusting the economic structure.

Official Views Inspection of 'Small Treasuries'

OW1611225689 Beijing XINHUA Domestic Service
in Chinese 1210 GMT 15 Nov 89

[Text] Beijing, 15 Nov (XINHUA)—According to the State Council's Office in Charge of General Taxation,

Financial, and Price Inspection, the work of screening and checking small monetary organizations is being carried out in some areas and units.

During the current general taxation, financial, and price inspection, some areas and units have achieved initial results in taking the initiative to screen and check privately run small monetary organizations. Shanghai checked 1,156 organizations with a surplus of 26.54 million yuan as of October. By mid-October, it was found that small monetary organizations in Hubei Province and Tianjin Municipality had more than 5 million yuan. After inspection, the Jinan Railway Bureau discovered 601 "small treasuries" with total deposits of more than 1.39 million yuan. After carrying out an inspection, the China-Czechoslovakia Friendship Factory in Shenyang City discovered that the "small treasuries" run by its 21 branch factories and offices contained 1.76 million yuan. By the end of October, the Petroleum and Natural Gas Corporation of China discovered that the "small treasuries" run by its subordinate units had taken 7.196 million yuan in deposits.

Facts have proved that these "small treasuries" serve as breeding ground for illegal activities. The Kaili Typing and Printing House in Shanghai is a welfare enterprise with 11 regular staff members and workers. From the beginning of last year to May this year, it cheated the state out of more than 32,000 yuan by falsely reporting the number of staff members and workers. The money, deposited in a "small treasury" it set up, was used to pay for drinking and dining or for giving receptions. It was discovered that there was only 1,241 yuan left. The Cultural Exchange Office under the Tianjin Municipal Culture Bureau kept 14,000 yuan of donated funds in a private home. The office was compelled to report the case to authorities when the money was stolen on 16 October.

A responsible person of the State Council's Office in Charge of General Taxation, Financial, and Price Inspection pointed out: The work of screening and checking "small treasuries" has just begun as far as the entire country is concerned. The "small treasuries" of most units have not been touched. The State Council's circular on screening and checking "small treasuries" has been issued. All localities, departments, and units must lose no time in screening and checking "small treasuries." All party and government organs, mass organizations, enterprises, and institutions must follow the circular's requirements, abandon erroneous thinking, take the initiative to check their "small treasuries," not take a wait-and-see attitude, not depend on luck, and not cheat by hiding facts or falsifying reports.

State Adopts Measures To Reduce Car Stockpiles

OW1911180789 Beijing XINHUA in English
0900 GMT 19 Nov 89

[Text] Beijing, November 19 (XINHUA)—The Chinese Government is adopting new measures to clear up the unsold stocks of cars in Sino-foreign joint ventures

resulting from an earlier government control on car buying. Today's "CHINA DAILY" quoted a government official as saying that the People's Bank of China and the Industrial and Commercial Bank have provided large loans to help the government take the stockpiled cars off the hands of the Sino-foreign joint ventures.

The large-scale buying was conducted mainly in Beijing, Tianjin, Shanghai and Guangzhou, where four of China's five auto producers using foreign car parts are located.

Xu Bingjin, a deputy bureau chief of the State Planning Commission in charge of car ventures, said the government will later sell cars to domestic consumers who are judged to be in urgent need of the vehicles.

Xu said that the government loosened controls on car consumption last month to ease the burden on the joint ventures. Accordingly, many institutions started their normal replacement of old cars and new organizations began to be approved for car ownership as well.

To promote the sale of cars, Xu said, the government has recently established new selling agencies. There are now 115 agencies throughout the country, compared with only 84 at the end of last year.

Tian Jiyun Gives 'Important' Agriculture Speech

OW2811052689 Beijing XINHUA Domestic Service
in Chinese 1216 GMT 27 Nov 89

[By RENMIN RIBAO reporter Chen Jian (7115 0256) and XINHUA reporter Wang Yanbin (3769 6056 1755)]

[Text] Beijing, 27 Nov (XINHUA)—A national meeting to exchange experience in comprehensive agricultural development, the first important agricultural meeting held since the 5th plenary session of the 13th party Central Committee, was held in Beijing today. Vice Premier Tian Jiyun delivered an important speech at the meeting. His speech dealt with the current agricultural situation and tasks, comprehensive agricultural development, stability of basic rural economic policies, and next year's rural work.

State Councillor Chen Junsheng presided over the meeting.

In his speech, Tian Jiyun fully affirmed China's great achievements in agricultural development, analyzed our agricultural situation, pointed out our agricultural potential, and emphasized the great prospects for steady agricultural development in our country.

Tian Jiyun said: Comprehensive agricultural development requires us to transform and raise the yield of existing medium-yield and low-yield land and to develop and use new agricultural resources. It is a large project which has already had a good start. Since our country has a large population and insufficient cultivated land, it is difficult for us to satisfy the requirements for constantly

improving the people's living standards and for constantly developing the economy if we only consider the resources we are now using. We must develop new resources and open up new avenues. Of the cultivated land in China, two-thirds are medium-yield and low-yield land, which require transformation; and large areas of wasteland, barren mountain slopes, unused water areas, and beaches can be reclaimed and utilized. The governments at various levels and the hundreds of millions of peasants in various localities have great enthusiasm for agricultural development and have quite reliable sources of development funds; in particular, they have been greatly inspired by the guidelines of the 5th plenary session of the 13th party Central Committee. We should be determined and make great efforts to promote comprehensive agricultural development, so that it will play a great role in revitalizing China's agriculture. He said: In order to achieve greater successes in comprehensive agricultural development, we should ensure that the leadership pays attention to it and relies on the masses; that the guiding principles and policies are clear and definite; that scientific management is practiced with efforts to develop and improve, and with emphasis on social benefit, ecological benefit, and economic benefit at the same time; that importance is attached to infrastructure construction and to investment in science and technology; and that any new comprehensive agricultural development project is moderate in scale and has various forms right from the beginning.

Tian Jiyun said that the "decision" adopted by the 5th plenary session of the 13th party Central Committee has very clearly and definitely stated that we must "continue to deepen rural reform and implement stable rural policies." On the basic rural economic policies which rural cadres and peasants are generally concerned about, he reiterated in his speech: Our policy calls for the practice of the output-related system of various contracted responsibilities with emphasis on family operations. With the objective of achieving common prosperity, our policy permits and encourages some regions and people to become well-off first. "We will never relax our efforts to increase grain production and to develop a diversified rural economy," and we will continue to properly readjust the policy of optimizing rural production structure. Our policy encourages and guides sound development of village and town enterprises. We persist in the policy of developing various economic sectors with public ownership as the main sector. With respect to purchase and marketing of major agricultural and sideline products, the policy of taking into account both economic planning and market regulation will remain unchanged. He pointed out that it is now very important to stabilize basic rural policies so as to reassure the 800 million peasants, and this is a matter which has a bearing on the overall situation. This is because, in general, these basic policies are still suitable for the present level of our rural productive forces and they are conducive to protecting and arousing the enthusiasm of the 800 million peasants to engage in socialist production and to promote further development of rural productive forces. He

said: In the last 10 years, there were some problems in certain aspects of our rural reform and rural economic development, some of our reform measures and policies had flaws, and it was necessary to solve the problems and improve those measures and policies. Some of the new measures adopted under new circumstances are for the purpose of deepening and improving the reform, and they do not mean a change in our basic policies.

Tian Jiyun said in his speech that our central tasks in rural areas next year are to seriously implement the guidelines of the 5th plenary session of the 13th party Central Committee; resolutely carry out the principle of improving the economic environment and rectifying economic order; try in every possible way to reap bumper agricultural harvests; and promote steady development of the rural economy and a stable rural society. He emphatically pointed out that at all costs we must strive for a new breakthrough and put an end to the fluctuations in grain and cotton production. As for next year's agricultural work, "he summarized it as six simultaneous graspings": simultaneous grasping of conventional agriculture and developmental agriculture [kai fa nong ye 7030 4099 6593 2314] so as to increase the effective supply of agricultural products; simultaneous grasping of the input of materials and the input of science and technology so as to get more output from increased input; simultaneous grasping of economic development in both developed areas and poor areas instead of paying attention to one while ignoring the other; simultaneous grasping of the flood-control work and anti-drought struggle to ensure that all localities will increase their capability to meet these natural disasters and rely basically on their efforts to resist disasters to achieve a bumper harvest; simultaneous grasping of developing agricultural production and family planning on the grounds that it is imperative to strictly control the rapid population growth and the improper use of arable land for nonagricultural purposes and to pay equal attention to increasing production and reducing consumption if we are to solve the agricultural and grain problems of our country; and simultaneous grasping of material and spiritual civilizations.

Vice Premier Tian Jiyun urged that, in carrying out next year's work, all localities should consider vigorous development of agriculture as a serious task, especially to develop grain and cotton production, so as to put an end to the stagnant agricultural situation. All localities and departments, he added, should implement unrelentingly and to the letter the agriculture-oriented policies established by the central authorities and ensure that the policies are truly implemented.

Attending this meeting sponsored by the State Council were responsible comrades from agricultural departments of various provinces, municipalities, autonomous regions, and cities with independent economic decision-making authority, as well as responsible comrades from relevant departments of the State Council.

Tian Jiyun Stresses Stability of Rural Policy

*OW1811165089 Beijing XINHUA in English
1534 GMT 18 Nov 89*

[Text] Beijing, November 18 (XINHUA)—Vice Premier Tian Jiyun today called for the stability and continuity of the Communist Party's policy on rural work to reassure the eight million Chinese farmers. [as received]

Tian made the remarks at a construction site of water conservation works this morning in Shahe Township, Changping County of Beijing Municipality, where he also worked together with the 1,000 laborers.

He said that in response to the calls of the Chinese Communist Party Central Committee and the State Council, construction of water conservation works are well under way in the country, which will be beneficial to ending the stagnation in grain production.

Water conservation works should be constructed in a planned and economical way and project quality should be the top priority, Tian said.

The construction of water conservation works should go hand in hand with water and soil conservation, transformation of low-yielding fields, collection of farm manure and afforestation, he said.

Working at the construction site this morning were also Chen Junsheng, state councillor, Li Changan, deputy secretary-general of the State Council, Yang Zhenhuai, minister of Water Resources, Zhang Chunyuan and Wang Shouqiang, vice-ministers of Water Resources, Wang Lianshu, vice-minister of Agriculture and Huang Chao, Beijing vice mayor.

Tian Jiyun Promotes Chemical Fertilizer Plants

*OW2511075589 Beijing Domestic Service in Mandarin
2230 GMT 22 Nov 89*

[From the "News and Press Review" program]

[Text] ZHONGGUO HUAGONG BAO [CHINA CHEMICAL JOURNAL] reports: On behalf of the State Council, Vice Premier Tian Jiyun sent a letter on 18 November to comrades attending the national conference on the work of small chemical fertilizer plants, extending cordial regards to the vast number of workers at small chemical fertilizer plants in various parts of the country. He urged them to seriously implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and, with stronger confidence, to strengthen management, reduce production costs, and push to a higher level the production, technology, and operation of small chemical fertilizer plants in an effort to better support agriculture.

The letter says: The decision to further improve the economic environment, rectify the economic order, and deepen the reform adopted by the 5th Plenary Session of the 13th CPC Central Committee stresses in particular

the need to strengthen the role of agriculture as the foundation of the economy. The decision calls on the whole party and the whole nation to mobilize and pool all their efforts to advance agricultural production. It also calls on all trades and professions to vigorously support agriculture. Chemical fertilizers produced by small plants account for some 70 percent of the total output of chemical fertilizers produced by the nation. Small chemical fertilizers plants, therefore, play an important role in ensuring bumper grain and cotton harvests and promoting the steady development of agriculture.

In his letter, Tian Jiyun also asked relevant departments under the State Council as well as local governments at various levels to attach importance to the operation of small chemical fertilizer plants.

Rural Economic Environment Faces Serious Problems

HK2011122089 Beijing NONGMIN RIBAO
in Chinese 7 Nov 89 p 2

[Report by trainee Wang Changliang (3769 7022 0081): "The Situation in Rural Ecological Environment Is Grim"]

[Text] According to information provided by the Chinese Academy of Agricultural Science, China's rural ecological environment is currently facing five serious problems:

- The area of cultivated land has dropped drastically. According to statistics, the area of China's cultivated land was 1.68 billion mu in 1957 but dropped to 1.49 billion mu in 1982, a decrease of nearly 200 million mu over 1957. The reduced area exceeds the total area of cultivated lands in five provinces and regions, namely, Shaanxi, Qinghai, Gansu, Xinjiang, and Ningxia. After that, the cultivated land decreased by 15 million mu in 1985, 9.6 million mu in 1986, 5.1 million mu in 1987, and over 3 million mu in 1988.
- The pollution of the agricultural environment has accelerated. Throughout the country, 240 billion times 10,000 mu [as published] of land and over 40 billion kg of grain have been polluted by insecticides. During the Sixth 5-Year Plan, increased emission of waste gas, water, and industrial residue has directly or indirectly affected the agricultural environment.
- Energy is in short supply in the rural areas. The rural areas rely on straw, firewood, and animal by-products for 85 percent of their energy supply. Over 9.4 tons [as published] of biological energy is burned away every year. This includes 400 million tons of straw and 100 million cubic meters of wood, accounting for one-third of the forest growth that year.
- There is serious soil erosion. According to statistics, in China about 1.78 billion tons of silt enters the sea every year, accounting for one-tenth of the world's total. Of this, 0.58 billion tons flow through the Chang Jiang and 1.78 billion tons [as published] through the Huang He. Moreover, enormous quantities of silt are

deposited in rivers, reservoirs, and lakes. The total quantity of eroded soil is about 5 billion tons.

- Floods and droughts occur frequently. The deterioration of the ecological environment is bound to cause drought and waterlogging. Take Sichuan Province as an example. Over the past 30 years and more, the frequency of droughts and floods has markedly increased.

In light of the aforesaid situation, the department concerned has called for the development of ecological agriculture and the establishment of a virtuous agricultural ecological system. It is necessary to start from two aspects, preventing and controlling the pollution of rural environment and preventing the predatory use of agricultural and natural resources, and to step up scientific research in the protection of rural ecological environment. The department concerned also proposed the early formulation of laws related to agricultural environment, such as water, soil, input, and so on.

Technology Improves Eastern Agriculture

OW1711224489 Beijing XINHUA in English
0735 GMT 17 Nov 89

[Text] Hangzhou, November 17 (XINHUA)—The wide use of technology in agricultural production has brought great benefits to east China, the "bread basket" of the country.

Due to the application of technology, grain and rapeseed output increased by 1.36 billion kg and 43.8 million kg, respectively, last year in coastal Zhejiang Province.

Improved techniques, including cultivation of high-yield grain strains and new manure application methods, have been applied on large tracks of farmland in the province this year.

Despite typhoons, the province's early rice output increased by 80 million kg and the production of late rice is expected to keep the same level of last year. The per capita grain production of the province is 400 kg, a satisfactory level.

The farmland devoted to grain production in Zhejiang is less than 1.3 million ha, a cut of a seventh in 40 years while the population has doubled in the period.

Now, 70 percent of the 1,233 items of new agrotechniques achieved in the past decade have been widely used in the province, which greatly increased the per unit production of grain, tea, aquatic products and silkworm cocoons.

In Anhui Province's Chuxian County, a pioneer in the implementation of the household contract responsibility system, the planting of hybrid rice was expanded and the total grain output doubled.

In Fengyang County, Anhui Province, the total grain production is 3.4 times that of 1979 and the output per mu increased to 600 kg from the original 150 kg.

Since 1978, Shandong Province has obtained 2,150 scientific research achievements in the crop planting and animal breeding industries.

The spread of improved cotton and wheat strains has made Shandong Province a major producer of cotton and wheat.

In the mean time, Jiangsu Province has also launched a "green revolution" on the water area of Taihu Lake.

The planting of water chestnut and gorgon fruit have been a great success. The average production of water chestnut per mu reached 393.5 kilograms and the production of gorgon fruit seeds per mu reached 202.5 kilograms.

They also made great achievements in the cultivation of ryes, cucumbers, tomatoes, celery, rice, grain, forage and vegetables, and in the breeding of fish in the Taihu Lake's open water areas.

East Region

Fujian Revises Rules Protecting Women, Children

OW2111072589 Fuzhou Fujian Provincial Service
in Mandarin 1100 GMT 13 Nov 89

[Text] The 11th session of the 7th provincial People's Congress Standing Committee closed a few days ago. In view of the new situation and problems in protecting the legal rights and interests of women and children, the participants in the meeting made some revisions to the Fujian Provincial Regulations on Protecting the Legal Rights and Interests of Women and Children.

The revised regulations stipulate that, if state policy on the recruitment of students and workers is violated, and if the law is broken through the imposition of restrictions on women seeking education and jobs, the party concerned or his guardian may file a complaint with the department in charge of recruitment of students or workers within 30 days after learning about the matter. The latter should handle the case within 30 days after receiving the complaint.

It also has been stipulated that when handling divorce cases the People's Court should follow the law and divide up the property jointly owned by the two sides when the husband-wife relationship still existed. The court is forbidden from increasing the unreasonable economic burden of the wife simply because it was the wife that asked for the divorce.

The revised regulations have explicit provisions regarding the saving of women and children who have been abducted for purposes of selling later, stating that in doing so, it is necessary to respect the will of the abducted women. No one is allowed to demand compensation from the victimized women, children, or their families.

Guangzhou Policewoman Executed for Taking Bribes

OW2111194089 Beijing XINHUA in English
1559 GMT 21 Nov 89

[Text] Guangzhou, November 21 (XINHUA)—Zhang Mayun, a policewoman in charge of household registration in Guangzhou, capital of south China's Guangdong Province, and her accomplice Chen Huilian were executed here today for taking heavy bribes.

The death sentence was carried out on the verdict of the Guangzhou Intermediate People's Court.

From 1984 to June 1988, Zhang, a household registration policewoman in Danan Street, Yuexiu District, colluded with Chen, a saleswoman in the district's Fengfu Grocery, and illegally transferred 63 rural people to city residences, taking 280,000 yuan (76,000 U.S. dollars) from them in bribes.

In June 1988 the two were arrested and in June this year the Guangzhou Intermediate People's Court sentenced them to death and deprived them of their political rights for life.

The two refused to accept the decision and appealed to the higher court. Their appeals were rejected on November 6.

After re-examination by the Supreme People's Court, the city's Intermediate People's Court confirmed its decision today and the criminals were executed.

Jiangxi Meeting Discussing 'Social Evils'

OW1911034089 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 11 Nov 89

[By station reporter (Guo Jianqiang)]

[Text] The provincial party committee and the provincial people's government held a telephone conference this morning to draw up plans for getting rid of six abominable social phenomena, illegal activities, and crimes by mobilizing all sectors in society to wage total war to wipe out the six social evils. The telephone conference was presided over by Zhang Guozhen, deputy secretary general of the provincial government. On behalf of the provincial leading group for wiping out the six social evils, (Kang Fengyang), deputy director of the provincial Public Security Department, drew up specific plans for unified action to be taken throughout the province to wipe out the six social evils.

Jiang Zhuping, deputy secretary of the provincial party committee and vice governor, and Wang Zhaorong, member of the Standing Committee of the provincial party committee and head of the leading group for political science and law under the provincial party committee, spoke at the meeting.

Jiang Zhuping pointed out: The abominable social phenomena of prostitution, solicitation, gambling, and so forth, which we thought had been eradicated in our country in recent years, have begun to reappear successively in some areas of our province. Moreover, they are spreading rampantly and getting worse. As a result, people's minds are seriously corroded by the evil influence, social values have degenerated, and public order has been disturbed. It is incumbent on the party committee and government at all levels to consider the task of wiping out the six social evils as an important aspect of carrying out the guidelines of the 4th and the 5th Plenary Sessions of the 13th CPC Central Committee, as well as an important measure for opposing bourgeois liberalization and building an even better socialist spiritual civilization. It is, therefore, necessary for the party committee and government at all levels to strengthen their leadership conscientiously and practically in a bid to succeed in the total war aimed at wiping out the six social evils.

Jiang Zhuping said: The abominable phenomena of the six social evils have a strong [words indistinct] and involve many quarters. It will be hard to achieve substantial results if we rely on only a certain special organization to investigate and deal with them. We must carry out the policy of combining the efforts of the special organization with that of following the mass line under the unified leadership of the party and government organizations at all levels. We must fully arouse the masses to wage total war against the six social evils. It is necessary for all areas to make a good account of various instruments of propaganda in exposing the serious physical and mental harm done by the six social evils to the masses, particularly to youngsters. Wide publicity must be given to the significance and urgency of wiping out the six social evils. It must be made known to every household and person so that the broad masses will conscientiously arouse themselves to fight against the illegal activities and crimes of the six social evils.

Jiang Zhuping stressed: It is necessary to handle matters strictly in accordance with the laws when waging the struggle to wipe out the six social evils. Law-breaking and criminal elements must be tenaciously ferreted out and brought to justice in a stern crackdown. It will be necessary to adhere to the policy of combining leniency with the administration of punishment. Those who have surrendered to the authorities, candidly confessed to all their illegal activities without reservation, and shown genuine intent to repent will be dealt with leniently in accordance with the laws. As for those who have rendered meritorious service, they may be eligible to get less severe punishment or be exempt from punishment altogether.

Jiang Zhuping pointed out: The unified actions taken this time are aimed at cracking down on the law-breaking and criminal activities caught in the act and at taking corresponding measures to address the problems exposed. We aim to eradicate the soil that engenders the six social evils and to achieve the result of treating a disease by looking into both its root cause and symptoms. It is necessary for us to unfold intensively activities aimed at promoting spiritual civilization everywhere; make vigorous efforts to improve the ideological and political work; use healthy and beneficial activities and works of art and literature to occupy all the positions so that the abominable social phenomena can find no market; and further carry out various measures for maintaining public order in a comprehensive manner through this struggle so as to prevent and reduce the incidence of various illegal and criminal activities, maintain public order, and bring about better standards of social conduct.

Jinan Standing Committee Relays Plenum Guidelines

SK1811085189 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 15 Nov 89

[Text] On 14 and 15 November, the Standing Committee of the provincial People's Congress held an enlarged meeting of the chairman and vice chairmen to

conscientiously relay the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and the central work conference. The meeting's participants unanimously pledged to support firmly the various decisions adopted by this plenary session; to display further the role of the local organs of state power under the guidance of the guidelines of this plenary session; and to make due contributions to promoting the implementation of the principles of improving the economic environment, rectifying the economic order and deepening reform, and effecting a sustained, stable, and coordinated development of the economy.

Li Zhen, chairman of the Standing Committee of the provincial People's Congress, presided over the meeting. Vice Chairmen Lu Hong, Xiao Han, and Wang Shufang respectively relayed the important speeches of the central leading comrades and the documents of the 5th Plenary Session of the 13th CPC Central Committee.

During the study and discussion, after reviewing the experiences gained from history, the meeting's participants said with deep feeling: Maintaining a sustained, stable, and coordinated development of the national economy and striving to avoid large-scale fluctuations are the basic principle we must adhere to for a long time. The decision adopted by this plenary session on further improving the economic environment, rectifying the economic order, and deepening reform is a major strategic measure to effect a sustained, stable, and coordinated development of the economy. People's Congress standing committees of various localities should regard the improvement, rectification and deepening of reform as the most important task; should earnestly perform the positions and powers entrusted to them by the Constitution and the law; and should give full play to their functional role. They should also formulate corresponding economic laws in line with the demands of economic construction, improvement of the economic environment, rectification of the economic order, and deepening of reform; and, at the same time, should strengthen the supervision over the enforcement of economic laws and promote the smooth progress of improvement, rectification and economic construction.

During the discussion, many members pointed out: Our country has a huge population, and thus providing the people with adequate food is of primary importance. Therefore, it will not work without strengthening agriculture. Only when agriculture is developed can we stabilize the economy as a whole and the overall situation. In the course of improving the economic environment and rectifying the economic order, People's Congress standing committees must strengthen supervision over agricultural development and help city and county governments concentrate their major energies on developing agriculture in a bid to actually reorient all economic work to the orbit of making agriculture the foundation of our country.

Members unanimously maintained: At present, the most important thing is to maintain the stability of our

country. This is the important condition and prerequisite to achieve success in improvement and rectification. Shouldering major duties in this regard, local People's Congress standing committees must actually strengthen the building of democracy and the legal system through implementation of the guidelines of the 5th Plenary Session of the 13th CPC Central Committee in order to consolidate and develop the stability of Shandong.

During the study and discussion, members said excitedly: In the basic interests of the party and the state, Comrade Deng Xiaoping has voluntarily resigned from the post as chairman of the Central Military Commission, and thus has fully manifested the breadth of vision of a great proletarian revolutionary. His theory of building socialism with Chinese characteristics is an important component of Mao Zedong Thought. We must conscientiously study the way of adhering to the correct political orientation during the complicated struggle.

At the meeting, Chairman Li Zhen also set forth opinions on how the provincial People's Congress should further study and implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee.

Jinan Military Region Considers Plenum Guidance

SK1811095389 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 16 Nov 89

[Text] On the morning of 16 November, the Jinan Military Region held a meeting of veteran Red Army soldiers and retired cadres at or above the army level stationed in Jinan to relay the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and the enlarged meeting of the Central Military Commission. Song Qingwei, political commissar of the Jinan Military Region, presided over the meeting; and Li Jiulong, commander of the region, relayed the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and the enlarged meeting of the Central Military Commission. More than 170 Red Army soldiers and retired cadres at or above the army level attended the meeting.

At the conclusion of the meeting, Political Commissar Song Qingwei dwelt on four opinions and demands on the question of how veteran comrades should study and implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee and the enlarged meeting of the Central Military Commission. He said: 1) They should fully understand the important significance of the 5th Plenary Session of the 13th CPC Central Committee and the enlarged meeting of the Central Military Commission; they should keep an eye on the role played by this session and this meeting in inheriting the past and ushering in the future, in stabilizing the current situation, and in maintaining the long-term stability and order. 2) They should conscientiously study the documents of this session of the meeting from beginning to end and fully comprehend the guidelines in an effort to bring their ideas into line with the guidelines. 3) By paying close attention to focal points, they should

strive to reach a common understanding of such important issues as the economic situation of the country, the personnel change of the Central Military Commission, the guiding ideology for next year's military work, and military construction for the next year. 4) All levels of departments should actually pay close attention to the study among veteran comrades, should map out plans and arrangements for this study, and should vigorously organize veteran comrades to study and discuss the guidelines of this session and this meeting.

Shanghai Vice Mayor Takes Deputy Secretary Post

OW1911062089 Shanghai City Service in Mandarin
1000 GMT 18 Nov 89

[Text] The 12th session of the 9th municipal People's Congress Standing Committee closed on 18 November. The meeting adopted a Decision on Revising the Detailed Rules for Implementation for the Direct Election of Deputies at the People's Congresses at the District, County, Township, and Town Levels in Shanghai. The decision contains more than 20 revisions to this decree, which was promulgated for implementation in 1987. The revised rules for implementation, which will be published in newspapers, will be observed during the upcoming election of people's deputies at district, county, township, and town levels. In view of the fact that Vice Mayor Ni Hongfu has assumed the post of deputy secretary of the Shanghai Municipal Party Committee, Mayor Zhu Rongji has asked the current session of the municipal People's Congress Standing Committee to remove Ni Hongfu from his post as vice mayor of Shanghai Municipality. The meeting adopted a decision on his removal from this post.

The session was presided over by Vice Chairman Chen Tiedi. Chairman Ye Gongqi attended the meeting. Vice Mayor Xie Lijuan was present at the meeting as an observer.

Shanghai To Launch Development Project

OW1911012689 Beijing XINHUA Domestic Service
in Chinese 0716 GMT 13 Nov 89

[By reporter Xia Ruge (1115 0320 7041)]

[Text] Shanghai, 13 Nov (XINHUA)—Negotiations have commenced over the past few days for the construction with foreign funds of the East Shanghai Development Project, a giant project to span 2 centuries. Representatives from big enterprise groups and financial institutions of the United States, Britain, Japan, Hong Kong, and Taiwan have come to Shanghai to conduct surveys and negotiations. The Asian Development Bank has sent a senior urban development expert to Shanghai to initial a letter of intent to provide gratuitous funds to be used for the study of the related infrastructural plan.

East Shanghai, described by foreign experts as a "treasure land for development," means the eastern part of the municipality from the eastern bank of Huangpu

Jiang to the estuary of Chang Jiang. This area has neither been well developed nor exploited due to the lack of transportation facilities. The Shanghai municipal government has decided to put the development of East Shanghai in high gear on the basis of in-depth investigations and repeated feasibility studies by foreign experts.

The development and construction of East Shanghai will be a giant project to span 2 centuries. According to the preliminary plan, nearly 100 square km of the total 350 km [as received] projected area will be developed in this century. A number of comprehensive functional zones will be built in this area, including a port area; zones for energy, petrochemical, shipbuilding, building materials, and export-oriented processing industries; as well as zones mainly for banking, commerce, residence, and tourism. Efforts will be devoted early in the next century to transforming East Shanghai into a new open-type multifunctional and modernized area so as to lay the groundwork for making Shanghai the largest economic and trading center on the western bank of the Pacific.

The work connected with the construction of the infrastructure of the East Shanghai Development Project has now entered the stage of implementation. Of the seven cross-river projects aimed at solving the transportation problem in East Shanghai, two cross-river tunnels have opened to traffic and initial preparatory work has been completed for the first Huangpu Jiang Bridge project. Meanwhile, work is being geared up on the East Shanghai trunk traffic line, which links the area to the old downtown district. The construction of a new port to serve as East Shanghai's door to the outside world also has been put on the agenda. For this purpose, Shanghai and the Ministry of Communications have decided, after consultations, to build a new harbor area at Waigaoqiao on the southern bank of the Chang Jiang estuary. The first-stage of this work, consisting of four 10,000-ton docks, is scheduled to be completed and put into operation by 1994. Other subsidiary municipal facilities and public utilities will be built in stages.

Zhejiang Standing Committee Hears Auditing Report

OW2011104889 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 1 Nov 89

[Text] The auditing report delivered by (Zhang Shengyao), director of the provincial Auditing Bureau, at the 12th meeting of the Standing Committee of the 7th Zhejiang Provincial People's Congress aroused strong responses among members of the Standing Committee. At a joint group session this afternoon, the members made known their views and suggestions. They pointed out that the auditing of the Great Southeast Corporation and two other companies reflects the province's determination to clean up companies in our province, punish officials who engage in profiteering, and improve the economic environment and shows that the auditing is of great significance in eliminating corruption and strengthening the building of clean and honest government. They said: The auditing of the three companies

has produced good results. However, this is only a beginning. We must seize the opportunity to deepen our efforts to carry out the screening of our companies and the handling of major cases involving economic offenses.

The auditing report shows that the three companies had serious problems. Their problems were not only the result of bureaucratism, but also the result of illegal acts. Legally speaking, they committed acts of speculation, profiteering, embezzlement, bribe-taking, and dereliction of duty to name just a few.

The members pointed out: It is necessary to deal sternly with the problems uncovered and to investigate and affix the criminal responsibility of those law offenders in accordance with the law. It is necessary to deal with them without mercy and to adhere to the principle that everyone is equal before the law.

They proposed that the provincial party committee and government carry the investigation of the three companies through to the end and draw a lesson from the problems uncovered. They pledged that the Standing Committee will strengthen supervision to ensure the implementation of the measures announced by the party Central Committee and the State Council to improve the economic environment and rectify the economic order.

Vice Chairman Wang Yumin presided over the joint group session. Chairman Chen Anyu and Vice Chairmen Wu Minda, Wang Qidong, Zhu Zuxiang, and Yang Bin attended the session. Vice Governor Wang Zhonglu attended the session as an observer. Responsible persons of the various provincial government departments also attended as observers.

Central-South Region

Guangdong Officials Study Plenum Communique

HK1611044389 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 11 Nov 89

[Text] After the publication of the communique of the 5th Plenary Session of the 13th CPC Central Committee, the CPC Committees of the Guangzhou Military Region and the provincial Military District, some departments and bureaus of the provincial government, leaders of the key enterprises, and the party group of the provincial procuratorate have respectively held a forum or discussion meeting to study the communique. They have unanimously supported all decisions made by the plenary session and declared that they will resolutely carry them out.

In the course of discussion, the CPC Committee Standing Committee members of the Guangzhou Military Region and the provincial Military District said: "We earnestly hope that Comrade Xiaoping will be at the helm continuously. He now requests to resign his position as chairman of the Central Military Commission and this shows that our political situation is stable

and that the CPC Central Committee with Comrade Jiang Zemin as the head is strong and vigorous.

They have all declared: Under the leadership of the new Central Military Commission, we must carry forward the cause and forge ahead into the future, work hard to strengthen the building of the PLA [People's Liberation Army] units, and strive for even greater achievements.

At the forum of some departments and bureaus and of the leaders of the key enterprises that was held by the provincial government, Vice Governor Zhang Gaoli said: The key point of all aspects of the current work is to implement seriously the relevant guidelines of the CPC Central Committee on improvement, rectification, and deepening of reform so that economic construction in our province can develop steadily.

Having studied the communique of the 5th Plenary Session of the 13th CPC Central Committee, the members of the provincial procuratorate party group have unanimously declared: We must do all aspects of work well, continuously wage a struggle against graft and bribery, and unremittably contribute toward the elimination of the corrupt phenomenon.

Guangdong Starts 'Political Broadcasting Station'

HK1611015189 Beijing ZHONGGUO XINWEN SHE
in Chinese 0850 GMT 15 Nov 89

[Text] Guangzhou, 15 Nov (ZHONGGUO XINWEN SHE)—Subsequent to the operation of the Zhujiang Economic Broadcasting Station 3 years ago, today Guangdong has started its "news broadcasting station," which is also called a "political broadcasting station."

The "Guangdong News Broadcasting Station" broadcasts 38 times a day, at 30-minute intervals from 0500 to 0020 the following day. This is the first broadcasting station on the mainland to operate this way.

This station will broadcast in Mandarin to listeners, including party and government cadres as well as intellectuals.

At the opening ceremony, a responsible person from the broadcasting station said that the station would provide profound news coverage in a timely manner. This gives expression to the "political nature" of the station. In addition, the station will jointly run the "voice of the people's representatives" with the Guangdong Provincial People's Congress.

Reports say that this is a step forward in Guangdong's broadcast reform. To expand broadcasting influence, the relevant department has planned to change the Guangdong Broadcasting Station's original six programs into a series of stations including an economic broadcasting station, a news broadcasting station, the Guangzhou Broadcasting Station, a literature and art broadcasting station, and two educational broadcasting stations.

Special Economic Zone Proposed for Guangdong

HK1711015789 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English 17
Nov 89 p 3

[By Geoffrey Crothall]

[Text] A senior economic adviser to the Guangdong Provincial government has advocated turning the Pearl River delta into a de facto special economic zone [SEZ].

Wang Zhuo, speaking at a recent conference on Guangdong's economic reform, said the only way to get township enterprises in the Pearl River delta out of their current economic difficulties was to encourage more foreign investment, produce more export-quality goods and improve the international trade environment of the region.

In other words, to "set up a SEZ in fact but not in name."

Township enterprises in the Pearl River delta producing consumer goods for the domestic market had been badly hit by the current recession and were continuing to lose money, Mr Wang said.

The national credit squeeze, shortages of supplies and poor communications had created great difficulties in the delta, he added.

Enterprises with no export market, most noticeably in Foshan, have been forced to lay off staff and reduce output to under 30 percent of capacity while export-orientated industries in the SEZs have still managed to keep production going at a reasonable level despite the chronic electricity shortage.

As a way out, Mr Wang advocated increasing the role of the "three capital enterprises" (private enterprises, foreign joint ventures and co-operative ventures) in the delta's economy.

This would help to encourage further foreign investment in the region without having to formally establish an investment zone, he said.

Using existing trade regulations, the delta would be able to import commodities in short supply in China and at the same time increase exports, thereby helping to eliminate contradictions between supply and demand, Mr Wang said.

At the same time, it was imperative to improve the administration and regulation of foreign trade and investment to maintain the confidence of investors.

Analysts say Mr Wang's proposals demonstrate Guangdong's determination to push ahead with liberal economic policies while at the same time managing to avoid offending Beijing's central planners.

Guangdong SEZ Establishes Export Network*OW1711195489 Beijing XINHUA in English
1236 GMT 16 Nov 89*

[Text] Beijing, November 16 (XINHUA)—Shenzhen, China's first special economic zone [SEZ], has established an export-oriented economic network after nine years of development, XINHUA learned at an exhibition of China's foreign-invested enterprises here.

The zone, on the mainland opposite Hong Kong, has registered 2,442 foreign-funded businesses, about one third of China's total, and has signed up to 6,700 foreign-investment agreements, involving 5.4 billion U.S. dollars, with businessmen from 27 countries and regions.

The Digital Equipment Corporation, the world's second largest computer producer, has established a wholly foreign-funded enterprise, the most advanced in Asia, in Shenzhen. A factory set up here by the Japanese corporation Seiko has become the world's largest production base of computer photocopying machines.

More than 60 percent of the foreign-funded firms in Shenzhen are in such industries as electronics, machinery, textiles, petrochemistry, foodstuff, building materials, clothing and non-ferrous metals. Last year, 61 percent of the value of the city's total industrial output and 73 percent of the value of its exports came from such companies.

Years of work have improved the city's infrastructure, helping the export-oriented economy. The city now has 50,000 telephones. Sixteen percent of residents possess telephones, the highest level in China.

When completed, such new projects as the Hong Kong-Shenzhen-Guangzhou-Zhuhai Highway, the Mawan and Yantian deep-water ports, the Shenzhen International Airport and the new microwave communications center will provide an even more convenient investment environment.

Guangdong Rural Businesses Continue Growth*OW1711205189 Beijing XINHUA in English
1511 GMT 17 Nov 89*

[Text] Guangzhou, November 17 (XINHUA)—With a revenue of 56.5 billion yuan (15.786 billion U.S. dollars) in 1988, the rural enterprises of south China's Guangdong Province have turned from ugly duckling to white swan in the past 11 years.

A few years ago rural businesses were associated with simple and crude work sheds, inferior products, waste of materials and energy, and mismanagement.

But, with the help of foreign technology, equipment and production lines, foreign funds and managerial expertise, most rural businesses in Guangdong have become competitive on the world market and contribute much to the provincial economy.

In 1988 more than a quarter of the 800 yuan (216 U.S. dollars) per capita annual income in rural Guangdong came from the enterprises. Their total output value in 1988 reached 15.786 billion U.S. dollars, or more than 40 percent of the province's total domestic product.

About 1.1 million rural enterprises employ more than 6 million employees. In the past 10 years they have paid 6.6 billion yuan (about 1.8 U.S. dollars) to the state in taxes and spent 2.5 billion yuan (0.675 billion U.S. dollars) on agricultural production and construction projects.

Guangdong, the first province in China to introduce the open policy, has in the past decade become the country's biggest exporter and most prosperous province.

This is partly attributable to the rural enterprises.

About 11,800 foreign-funded and export-oriented enterprises with 1.11 million employees operate in the rural areas of the province. They have absorbed more than 2.6 billion U.S. dollars worth of overseas investment.

Four hundred rural enterprises in the province each earn more than one million U.S. dollars in foreign exchange a year.

The enterprises export to more than 100 countries. Their total foreign-exchange earnings in 1988 amounted to 1.5 billion dollars, representing more than 20 percent of the total value of provincial exports.

An official of the provincial government says rural enterprises are an indispensable supplement to the big state-run businesses.

Wuchuang County, in southwest Guangdong, is famous for its garbage processing industry. More than 10,000 rural enterprises process rubbish.

The county gathers truckloads or boatloads of garbage, such as scrap iron and copper, odd bits of cloth and used rubber shoes. The businesses use the rubbish to produce several thousand kinds of products, including plastic shoes, gloves, fishing nets and hardware.

A local official says the total annual revenue of the rural enterprises in the county has reached 300 million yuan (about 81 million U.S. dollars).

Analysts say the growing number of rural enterprises in Guangdong is remarkable compared to other parts of China.

So far this year, about one million rural enterprises throughout China have been closed because of the country's tight money policy, their poor economic results, their pollution, and their high wastage of material and energy.

Guangdong Moves To Increase Foreign Investment

HK1611102389 Beijing CEI Database in English
0829 GMT 16 Nov 89

[Text] Guangzhou (CEI)—Guangdong Province in south China will adopt new measures to absorb foreign investment in various forms with the stress on developing infrastructure and raw materials industry.

According to informed sources here, the measures include transferring part of the shares of some selected old enterprises to foreign contractors for technical upgrading, encouraging foreign businessmen to set up solely foreign-funded enterprises and expanding the processing and assembling business for foreigners.

In the first nine months of this year, the sources said, Guangdong earned 1.84 billion U.S. dollars through export by its foreign-invested enterprises and from the charges for processing and assembling with the materials, samples and parts supplied by foreign clients. The figure is 33 percent of the total export value of the province.

A recent sample survey shows that more than 70 percent of the 2,000 foreign-funded enterprises in Guangdong have made profit, most of them have achieved a balance of foreign exchange and over 70 percent of their products are exported.

The contracted foreign investment reached 3 billion dollars in Guangdong in the first nine months, with 1.68 billion dollars of the investment being actually used. Though the figures are 24 percent and 18 percent more than those of the same period of last year respectively, the trend of growth has slowed down, the sources added.

According to an official from the provincial Commission of Foreign Economic Relations and Trade, the growth is inevitably restricted by the supply of funds, materials and energy, in the wake of the national economic rectification and the social and economic development need in the province.

Under the circumstances, the official said, relevant policies and measures must be made to co-ordinate the input of foreign investment with the readjustment of industrial structure for a continuous and stable economic development in the province.

Annual industrial growth has averaged more than 25 percent in Guangdong in recent years. Over half of the total foreign investment has been put in light, textile and processing industries. This has resulted in more difficulties in energy and raw materials supply and transportation of Guangdong.

Statistics show that the Guangdong network is 40 percent deficient in power supply. Railway transportation can meet only 60 percent of its needs for materials. Sea transportation and port handling capacities are far from enough this year. Raw materials allocated by the state

only account for less than 30 percent of what the province needs. The overheated development of light, textile and processing industries has acute contradiction with other industrial sectors in raw materials supply at domestic market.

Guangdong has invested some 64.4 billion yuan in capital construction in recent 10 years. The projects under construction, which involve nearly 30 billion yuan in investment, will take several years to be completed according to the present investment capacity.

Overheated demand has caused a wide-margin price rise in means of production and all commodities in Guangdong. According to statistics, general retail price index increased by 30.2 percent last year, ranking first in the country. As a result, the province's stamina to promote economic development and improve investment environment are restricted to some extent.

Guangdong Grain Harvest Allows Reduced Imports

OW1711204989 Beijing XINHUA in English
0713 GMT 17 Nov 89

[Text] Guangzhou, November 17 (XINHUA)—With a total grain output of 17.92 million tons this year, south China's Guangdong Province will cut its grain imports from other provinces by 50 percent to 1.5 million tons.

The provincial Statistics Bureau estimates that per hectare grain [word indistinct] a record 4,650 kilograms and that total grain output will be 1.5 million tons higher than last year.

The province, with per capita cultivated land of about 0.6 mu (0.04 ha), has emphasized increasing per unit yield by popularizing advanced agricultural techniques and improved varieties of the seeds, according to a provincial government official.

Guangdong Province, one of the biggest grain importers in China, has imported about three million tons of grain a year in recent years from other parts of the country.

Hainan Secretary Addresses Honors Ceremony

HK1711052789 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 16 Nov 89

[Excerpts] A ceremony issuing certificates of honor to some 24 veteran cadres of 50-year party member standing in our province, was held at the provincial party committee guesthouse on the morning of 12 November. Provincial party committee Secretary Xu Shijie attended and addressed the meeting. [passage omitted]

In his speech, Xu Shijie highly evaluated their outstanding service to Hainan and their noble character of selfless contributions. He also conveyed to the participants the spirit of the 5th Plenary Session of the 13th CPC Central Committee, gave an account of the development and construction of Hainan, and told how party organizations at all levels aroused the masses of people

to combat a typhoon disaster and dealt with emergencies. He continued: The achievements Hainan has made since it became a province are great. Although there are numerous difficulties before us, Hainan shows great promise as long as we work in a down-to-earth manner; utter less empty words, but perform more concrete deeds; and earnestly carry out economic rectification and further reform and opening up in the spirit of the 5th Plenary Session of the 13th CPC Central Committee. [passage omitted]

On the afternoon of 12 November, Xu Shijie also visited Comrade Zhuang Tian, former commander of the Hainan Military District and former deputy commander of the Guangzhou Military Region, and issued a certificate of honor to him. He also extended his best regards to him on behalf of provincial party committee and government and the people of the whole province and sincerely wished him good health and a long life. [passage omitted]

Henan Radio Commentary Stresses Rural Policies

HK1811040989 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 16 Nov 89

[Station commentator's article: "The Contract System of Responsibility Linked to Production in the Rural Areas Will Not Change"]

[Text] Since the 3d Plenary Session of the 11 CPC Central Committee, profound changes have taken place in the rural areas of our province. The contract system of responsibility linked to production has aroused the enthusiasm of millions upon millions of farmers in labor production and has greatly changed the face of the province's countryside in the economic field. The experience of the 8-year rural reform in our province has borne the successful introduction of the system of responsibility linked to production. This system is suited to the present level of the development of productive forces in the rural areas of our country and it will continue to exist for a long time to come. The contracted responsibility system linked to production, which is mainly characterized by the separation of land proprietorship from the right to till the land, is a fundamental rural policy which has been persistently followed by the Central Committee since the 3d Plenary Session of the 11th CPC Central Committee. Recklessly negating the system will kill the confidence of the people in the party's rural policies and entail serious consequences to agriculture and all economic sectors that are dreadful to contemplate. People will not forget that the practice of everyone eating from the same big pot, a practice which is based on the three-level system of ownership of the means of production and which prevailed for almost 20 years in our country, did not help our peasants extricate themselves from poverty, but instead pushed the national economy to the verge of bankruptcy.

We have every reason to believe that the present Central Committee will not on any account lead our people to

take the road back. When speaking at the meeting in celebration of the 40th anniversary of the founding of New China, General Secretary Jiang Zemin pointed out: To develop agriculture, we must follow stable rural policies and perfect different forms of the contracted responsibility system linked to production. During his recent inspection visit to Anhui, CPC Central Committee Political Bureau Standing Committee member Song Ping also pointed out clearly: The contracted responsibility system linked to production instituted in the rural areas is a form of production and management which is suited to the present level of development of productive forces in the rural areas. It is still full of vigor and vitality and we should make continued efforts to improve and develop it while keeping it stable.

We hope that the aforementioned remarks made by leaders of the Central Committee will set the minds of peasants at ease. Of course, the contracted responsibility system linked to production is not the acme of perfection. Since it is a new thing emerging in the course of reform, it should undergo a process of being gradually replenished and perfected so that it will be able to display its advantages to the full. In the past few years, vigorous efforts have been made to explore the two-way pattern of contracting land operations in Zhengzhou and Boai. This is, in fact, a comparatively successful example of perfecting the contracted responsibility system linked to production.

At present, keeping the economy stable is a matter of prime importance and keeping agriculture stable concerns the endeavor of stabilizing all fields of work. We hope leading comrades at different levels will repeatedly explain to the people why the existing party's rural policies will not change, and work hard at the contracted responsibility system linked to production to set the people's minds at ease in developing the economy.

Hunan Meeting Sets Demands for Economic Work

HK1711070389 Changsha Hunan Provincial Service in Mandarin 2300 GMT 16 Nov 89

[Text] To face up to some new problems that cropped up in this year's economic work of our province, the provincial people's government last night held a telephone conference, setting demands on the present economic work and next year's production.

Both Governor Chen Bangzhu and Xiong Qingquan, provincial party committee secretary, delivered speeches at the meeting.

In his speech, Governor Chen Bangzhu called on all local governments and leaders at different levels to get a clear understanding of the situation, brace themselves up, have more initiative in overcoming difficulties, discover the crux of the problems, come up with countermeasures and solutions to them, pay adequate attention to education on the current situation by telling the broad masses

of the people the difficulties as they really are, and make efforts to stabilize policies and enterprises and to set people's minds at ease.

Governor Chen also urged making vigorous efforts to improve enterprise management and step up the readjustment of industrial production by taking the opportune moment of economic improvement and rectification. While readjusting industrial production, it is necessary to make proper arrangements for industrial production in the remaining 1 and a 1/2 months of the year and enthusiastically guide the development of township and town enterprises in accordance with the principle of readjusting, consolidating, transforming, and improving township and town enterprises. He also called on all localities to promote marketing, enliven the channels for commodity circulation to mend the weak market as quickly as possible, make a proper and flexible use of credit funds, and use the special-purpose funds which are under rigid control and are also idle for the time being on some badly needed projects while ensuring the supply of funds to the key projects. Comrade Chen Bangzhu also set demands on preparations for next year's production, the market supply for the coming New Year's Day and the Spring Festival, capital construction on farmland in the coming winter, and winter sowing.

While speaking at the meeting, Xiong Qingquan, the party committee secretary, expressed the hope that leaders and departments at different levels would stand up to the test of the temporary difficulties. He also emphatically pointed out the necessity of stabilizing policies and setting people's minds at ease at the moment. Comrade Xiong Qingquan said that it is imperative to set up an authoritative leading body to strengthen production management. He called on all enterprises to step up technological transformation by relying on scientific and technological advancement, strengthen different fields of management which are mainly aimed at saving energy and reducing consumption, improve the quality of their products, increase varieties, and increase their ability to encounter competition. All enterprises were also called on to rely on and unite their workers and staff to overcome the difficulties together and to work hard to fulfill this year's tasks for production.

The telephone conference was presided over by Vice Governor Yu Haichao.

Southwest Region

Guizhou People's Congress Studies Plenum Spirit

HK2111100089 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 18 Nov 89

[Excerpt] The 10th meeting of the 7th provincial People's Congress Standing Committee held joint group discussions yesterday afternoon to study the spirit of the 5th Plenary Session of the 13th CPC Central Committee.

The meeting was presided over by Zhang Yuhuan, chairman of the provincial People's Congress Standing Committee.

More than ten members took the floor at the meeting. When speaking at the meeting, Luo Shangcai, an alternate member of the CPC Central Committee and vice chairman of the provincial People's Congress Standing Committee, pointed out: Viewed from the present situation, the decision made by the party Central Committee to further economic improvement and rectification and deepen the reform is very important. Political and social stability cannot be maintained without economic stability, and economic stability is the foundation and guarantee of social stability. To implement effectively the policy of further carrying out economic improvement and rectification and deepening the reform set at the fifth plenary session, he said, there must be political guarantee and it must be substantial and effective. For this reason, we must bring into full play our political advantages and strengthen the party's leadership over economic rectification and in-depth reform. Party organizations at various levels should help party members, cadres, and the masses have a correct understanding of the present economic situation and be fully aware of the favorable conditions for overcoming the difficulties, build up confidence, and become united for the hard struggle. Meanwhile, it is imperative to firmly foster the idea of taking the country as a whole, subordinating the interest of a part to that of the whole, strengthen organizational discipline, and resolutely oppose decentralism.

Luo Dengyi, vice chairman of the provincial People's Congress Standing Committee, pointed out when speaking at the meeting: To implement the spirit of the 5th Plenary Session of the 13th CPC Central Committee, it is necessary to unify our thought and action. He also hoped the party Central Committee would make further efforts to combat corruption, maintain a clean and honest administration, and improve the party's work style so as to arouse the fighting will of the people of the whole country and make concerted efforts to carry out economic improvement and in-depth reform. [passage omitted]

Sichuan Begins Campaign To Combat Pornography

HK2311081189 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 17 Nov 89

[Excerpt] The Provincial and Chengdu City authorities jointly held a mobilization rally to launch the second campaign against pornography in Chengdu City yesterday morning.

Comrade Xu Chuan, a member of the provincial party committee Standing Committee and head of the provincial party committee Propaganda Department, and Comrade (Wang Shaoxiong), a member of the Chengdu City Party Committee Standing Committee and head of

the Chengdu City Party Committee Propaganda Department, made speeches at the meeting. They made arrangements for the work of eliminating pornography beginning from now until the Spring Festival.

Our province has achieved initial results in the first campaign against pornography. By the end of October, more than 58,000 inspectors had been assigned to examine pornographic materials; nearly 7,000 bookstand and bookshops and over 3,000 audio and video distribution units and shops examined; more than 700 kinds of banned books and publications amounting to 2.8 million copies and over 90,000 audio and video tapes confiscated had been sealed up for safe keeping and prohibited from selling; over 610,000 copies of banned books and publications burned; 726 bookstands and audio centers engaged in illegal business banned; over 300 business licenses revoked; and a certain number of lawless elements cracked down.

Comrade Xu Chuan emphasized at the meeting: We have made great successes in the first campaign against pornography but we must see with clear-mindedness that we have combated pornography only for 3 months or more, but the flow of pornography ran rampant for many years on a large scale. So our task of fighting pornography is still very hard. He called on all localities to deepen their understanding of the work, strengthen leadership, find out those areas as yet untouched, pay adequate attention to the party's policies, and deal with the problem in a comprehensive way. [passage omitted]

North Region

Beijing's Li Attends Meeting on Economic Crimes

SK1811075189 Beijing BEIJING RIBAO in Chinese
5 Nov 89 p 1

[Text] The deadline prescribed by the circular jointly issued by the Supreme People's Court and the Supreme People's Procuratorate has just expired. Li Ximing, secretary of the municipal party committee, pointed out recently that it is necessary to make continued efforts to launch a struggle against economic crimes, that the integrated offices in charge of dealing blows to economic crimes should not be abolished, and that inadequate ones should be strengthened. This point was stressed in particular at a municipal work meeting on dealing blows to economic crimes held by the municipal joint office in charge of dealing blows to economic crimes yesterday.

The meeting called on leaders at all levels throughout the municipality to further enhance their understanding, overcome the relaxed mood, and continue to firmly attend to the struggle against economic crimes. Party committees at all levels should assume leadership and responsibility over the work of the joint offices in charge of dealing blows to economic crimes, give guidance carefully, make clear their tasks, give supervision regularly, examine their work, and help them solve practical difficulties.

The participants at the meeting put forward that in the future the main tasks of the joint offices in charge of dealing blows to economic crimes at all levels throughout the municipality should be focused on grasping typical cases and using them to guide their work, promptly collecting reports reflected by all quarters and allowing the higher level to know what is going on at the lower levels and vice versa without impediment, supervising the units in charge of handling cases and their personnel, maintaining coordinated relations among all units and departments in charge of handling cases, and helping the party committees continue to fulfill policies.

The participants affirmed the influence of policies. It was learned that, as of the 31 October, among the 813 economic law-breakers who turned themselves in throughout the municipality, 50 percent surrendered themselves after the third municipal meeting held on 26 October at which the policy of giving both lenient and strict punishment to criminals was implemented. At present, the struggle to deal blows to economic crimes is being deeply developed. Some criminals whose ranks are comparatively high or who hold a certain power have been exposed. The spearhead of struggle against economic crimes is being directed at all kinds of economic criminals more effectively. The struggle to deal blows to economic crimes has also promoted administrative honesty in all departments and the perfection of rules and regulations of departments concerned.

Beijing Roots Out 'Unorthodox Party Members'

HK2711015789 Hong Kong SOUTH CHINA
MORNING POST in English 27 Nov 89 p 9

[By Willy Wo-lap Lam]

[Text] The Communist Party Committee of the Beijing municipality has beefed up measures to weed out unorthodox party members and to impose tight ideological control on the capital's residents.

Attempts by the heads of the Beijing party committee to revive Maoist standards have endeared them to the central leadership, making figures such as party secretary Li Ximing and Mayor Chen Xitong the rising stars of Chinese politics.

Recently, Mr Li, also a member of the Politburo, ordered that a second round of investigations be carried out into the "political rectitude" of Beijing's 910,000 party members.

Soon after the suppression of the "counter-revolutionary rebellion" in June, Beijing had already launched a witch-hunt of party members who had taken part in demonstrations or otherwise expressed sympathy for the pro-democracy movement.

Chinese sources said that the party committee's goal was to expel about 50,000 members from its ranks.

The sources said because the first round of investigations had failed to nail down a large number of suspects, Mr Li recently called for a renewed campaign, demanding a "thorough elimination of evil so as to root out the hidden peril of turmoil".

Mr Li was apparently angered by reports from Beijing work units that only 5,000 party members had taken part in the protests.

The fresh round of investigations would be completed by the end of this year.

Sessions of "criticism and self-criticism" will be held in each party cell in the capital, in which members must make detailed confessions about their attitude to the pro-democracy movement. They must also indicate their willingness to toe the new party line stressing total allegiance to Marxist values.

At the same time, the party committee announced over the weekend that private entrepreneurs "running exploitative businesses" would be barred from joining the Communist Party.

Mr Chen Guangwen, a member of the Beijing party committee, said owners of private enterprises "who exploit their employees" are not allowed to join, while those who are already party members must strictly abide by party rules.

Analysts say that Beijing municipal leaders such as Mr Li and Mr Chen Xitong want to establish their credentials as pace-setters in wiping out bourgeois liberalisation.

For example, while party committees in all provincial and directly administered cities have since June 4 launched investigations into the political affiliations of party members, only the Beijing party committee has implemented more than one round of investigations.

The decision to block private entrepreneurs from the party was first made at a meeting of the party's Organisation Department in August.

However, the order has not been uniformly carried out by party committees nationwide. And the Beijing committee is the only one to have openly announced the decision and carried it out with severity.

The Beijing committee has also taken advantage of campaigns to rid "corrupt and evil social phenomena" and to impose Marxist orthodoxy.

Analysts point to the recent movement to rid society of the "Six Evils" of prostitution, pornography, drugs, gambling, abduction of women and children, and feudalistic superstition.

Last week-end, Beijing organised a "Three Thousand People Mass Meeting" to launch the movement in the municipality.

Vice-mayor Su Zhong-xiang hinted that municipal law and order enforcement organs would not stick to the fine points of the law in clamping down on the evils.

"If the basic facts (concerning arrested suspects) are correct and the evidences are beyond doubt, punishments should be meted out," Mr Su said.

Beijing residents were asked to help in the campaign by studying documents and turning in criminals.

Analysts say the way the "Six Evils" campaign was implemented is reminiscent of the mass movements launched by the late Chairman Mao Tsetung to "purify the spirit" of the people.

Recently, Mayor Chen Xitong also used Maoist tactics to "mobilise the masses" in buying winter cabbage and in helping in the construction of facilities for the forthcoming Asian Games.

Inner Mongolia Leader Speaks at Production Forum

SK1611010489 Hohhot NEIMENGGU RIBAO
in Chinese 27 Oct 89

[Excerpts] On the morning of 24 October, Wang Qun, secretary of the Inner Mongolia Regional party committee, and Pei Yingwu, vice chairman of the regional government, held a forum of responsible comrades of the party committee and the General Office of the government; responsible comrades of the regional Planning Commission, the Economic Commission, the Financial Department, and banks; and the responsible party and government comrades of Hohhot City. The forum was held to conscientiously discuss ways to do a good job in studying Jiang Zemin's National Day speech; to improve resolutely the economic environment, rectify the economic order, and continuously deepen enterprises' internal reforms; to strive to overcome temporary economic difficulties; and to develop a new situation in building socialist economic construction.

Yi Junhua, secretary of Hohhot City, and Jia Cai, city mayor, gave briefings to Comrades Wang Qun and Pei Yingwu on Hohhot City's industrial production situation and the measures for fulfilling this year's industrial production targets, the plans for next year's production, and the situation of some enterprises in Hohhot City in readjusting the product mix to cope with market changes. [passage omitted]

After hearing briefings on the work of Hohhot City, Comrade Wang Qun said: In general, I feel that there are difficulties, but we have methods and prospects. We must not feel helpless in the face of the current difficulties; otherwise, we cannot be called materialists. However, we must also not be frightened by difficulties. The improvement and rectification campaign is mainly aimed at solving problems and difficulties accumulated over the past few years. During reform and opening up, we once failed to consistently uphold the four cardinal principles politically and ran counter to the planned and

proportionate law of economic development which resulted in the present passive consequences. However, the achievements in reform and opening up are tremendous and it is not strange to have some problems and difficulties. We can draw a lesson from them. At present, we must resolutely and unswervingly implement the principle of improving the economic environment, rectifying the economic order, and deepening reform and strive to think of a way to eliminate the bad consequences. Our difficulties are only temporary and the situation is still good. We shall see a bright future. Resolutely carrying out the improvement and rectification campaign is the only way to overcome difficulties. We should earnestly make up our minds to carry out the improvement and rectification campaign successfully; otherwise, we will not have a way out. In addition, we should properly handle the relations between the work of improving the economic environment, rectifying economic order, and deepening reform and conscientiously study and understand Comrade Deng Xiaoping's instructions that we must keep a specific speed and must not have a decline in economic development. Improvement and development must be integrated and must not be set against each other. In addition to improving the economic environment and rectifying the economic order, we must also have proper development, particularly the development of agriculture and basic industries. We should also develop the production of products essential to people's daily life and increase effective supply in society. Without development, there would be no stable political situation.

He pointed out: The achievements of Hohhot City are the important aspects of its work. There are still a great number of readily marketable products. The trend of thought of the Hohhot City party committee and government in improving the economic environment, rectifying the economic order, and deepening reform is good, and there are quite many methods and ways to do it. At present, there are both difficulties and opportunities. The improvement and rectification campaign has brought us a good opportunity. It urges enterprises to strengthen management, tap potential, advance technological progress, pay attention to product quality, study the market situation, raise economic results, and make better and steadier advancement. The present problems are the large input and poor economic results. Therefore, the key is to raise product quality, reduce consumption, produce leading products and good-quality products of reasonable prices in a planned manner, actively develop new and attractive products, strive to occupy a place in the market, and expand the market. In short, as long as we act in line with the spirit of the party Central Committee and successfully carry out the improvement and rectification campaign, Inner Mongolia Region and Hohhot City will have great hope.

Comrade Wang Qun called on all participants to study the guidelines of Comrade Jiang Zemin's National Day speech conscientiously and uphold and promote the party's glorious traditions on self-reliance, plain living,

and arduous struggle. He said: We should make full allowances for the difficulties of the state and the autonomous region, persist in looking inward, display our subjective dynamic role and creativity, pool the wisdom of all, tap potential, and overcome difficulties. Hohhot City should cooperate with Beijing, Tianjin, Shanghai, and other areas inside the country or the region and expand lateral cooperation. For example, we may process products with supplied samples. In this way, we can earn money from the processing work and sell the overstock raw materials.

At the end of the forum, Comrade Wang Qun stressed again that we should step up our efforts to study the relationships between improvement, rectification, deepening reform, and economic development; conscientiously sum up experiences; and make good preparations for implementing the guidelines of the forthcoming 5th Plenary Session of the 13th CPC Central Committee.

Tianjin Issues Rules on Meetings, Work Style

SK1711122189 Tianjin TIANJIN RIBAO in Chinese
30 Oct 89 p 1

[Rules and regulations issued on 28 October 1989 jointly by the Tianjin Municipal CPC Committee and the municipal people's government on simplifying meetings and official activities and documents and improving the work style of leading personnel]

[Text] In order to concentrate more efforts and time on going deep into the masses to carry out investigation and study; to enforce the policy decisions correctly; and to render better service for economic construction, grass-roots level units, and the masses, we must be determined to simplify meetings and official activities and documents which deserve to be conducted by the leading organs of the municipal party committee and the municipal people's government. The rules and regulations governing the issues concerned are as follows:

1. We should establish the system of having one week in the month be free from holding meetings. Under the general situation, the municipal party committee and the municipal people's government should not convene any municipal level meeting in the first week of the month. So as to ensure that their leading comrades concentrate one quarter of their time to carrying out investigation and study, the municipal party committee should also not convene its Standing Committee meetings, nor should the municipal people's government convene its routine meetings.
2. Efforts should be made to curtail all unnecessary meetings. We should not convene meetings as long as the problems can be solved by issuing directives or instructions, should not convene municipal level meetings as long as the work arrangements can be made by a specific front or department, should not separately convene meetings which can be held in a combined way, and should not convene meetings in the offices as long as the problems can be solved by carrying out official work on

the spot. Efforts should be made to improve the system of approving the convocation of meetings. All important meetings or conferences sponsored by the municipal party committee and the municipal people's government should be approved by holding discussions at the meeting of the municipal party Standing Committee or at the routine meeting of the municipal people's government. Efforts should be made to bring into full play the functional role of various departments in this regard. Meetings or conferences sponsored by various departments should not be convened in the name of the municipal party committee and the municipal people's government, and those which must be held in the name of the municipal party committee and the municipal people's government should be approved by the leading comrades of the municipal party committee and the municipal people's government. Those which can be held by the municipal party committee or the municipal people's government alone should not be convened in the name of both of them.

3. Leading comrades should not attend meetings or conferences as observers. Meetings or conferences sponsored by the municipal party committee and the municipal people's government which do not need the attendance of their leading comrades as a whole should be presided over by the relevant leading comrades. Meetings or conferences sponsored by various departments in the name of the municipal party committee and the municipal people's government can be participated in by the leading comrades of the municipal party committee and the municipal people's government who are in charge of the work, and other leading comrades should not attend these meetings as observers. Generally speaking, in holding their meetings or conferences, departments should not invite the leading comrades of the municipal party committee and the municipal people's government to attend their meetings, but may ask the leading comrades in charge of the work to attend these meetings if necessary.

4. Efforts should be made to improve the meeting style realistically. Except for important meetings and activities, there will be no rostrum in general work meetings. In holding these meetings or conferences, we should strive to be austere; bring under strict control their size, place, time, and cost; oppose formality and lavishness; and strictly ban waste and extravagance. We should make full use of the auditoriums, meeting rooms, and halls of organs in convening conferences or meetings. For those events which must be held in downtown guesthouses, hotels, and hostels, all participants in the urban area should attend these meetings or conferences on foot. Efforts should be made to stress holding short and small-scale meetings and meetings which have been fully prepared and in which practical problems can be solved so as to upgrade realistically the quality and efficiency of meetings or conferences.

5. Efforts should be made to bring under strict control the activities of ribbon-cutting and celebrations. Except for the important festive and commemorative days and

the dedication of important projects which have special significance, we should not conduct celebration activities by holding ceremonies or ribbon-cutting events. As for ceremonies and ribbon-cutting events which are actually necessary, we should bring their scale under strict control, pay attention to austerity, and refrain from hosting banquets and presenting souvenirs by spending public funds.

6. Efforts should be made to achieve vigorously a decrease in the number of official documents. In issuing official documents, the municipal party committee and the municipal people's government should upgrade their quality and guiding function, pay attention to their efficiency, and issue fewer but more precise documents. In general, the municipal party committee and the municipal people's government may not formally issue the documents of directives or instructions, but may make these directives and instructions public by printing them in the newspapers and periodicals. Documents which can be jointly issued by the departments in charge of the work or by the departments concerned should not be approved by the municipal party committee and the municipal people's government, and should also not be distributed through them. The municipal party committee and the municipal people's government should curtail as much as possible the issuance of joint documents. Except for the instruction given by leading comrades, all statements and reports submitted to the municipal party committee and the municipal people's government should be sent to the general offices of the municipal party committee and the municipal people's government for disposal.

7. Efforts should be made to improve the report and propaganda work of official activities joined by the leading comrades of the municipal party committee and the municipal people's government. In line with the needs in our work, we should make arrangements by distinguishing the conditions for conducting the report and propaganda work of official activities joined by the leading comrades of the municipal party committee and the municipal people's government. All organizational conferences sponsored by the municipal party committee and the municipal people's government which deserve to be publicized should be accurately publicized in a timely manner. We should curtail the reports on the work conferences and official activities joined by the leading comrades of the municipal party committee and the municipal people's government who are in charge of work in this regard. As for work conferences and official activities joined by these leading comrades which deserve to be publicized, we should pay attention to the angle of publicizing these activities, stress the publicity of mass activities and of contents which have guiding and propaganda significance, and should refrain from stressing the publicity of leading comrades themselves. In reporting the speeches and talks given by the leading comrades of the municipal party committee and the municipal people's government during their investigation and study at grass-roots levels, we should not put the

headlines of "inspection," "directive," and "important speech" on these talks and speeches.

8. Efforts should be made to master the true picture of things. The leading comrades of the municipal party committee and the municipal people's government should go deep into grass-roots level units by various means to listen to the voices of grass-roots level units and the people and to master directly the true picture of things. Efforts should be made to expand the information channels further and to report to the authorities in a timely manner the fresh experience gained by the vast number of people in building the two civilizations and the notable problems which have cropped up in economic construction, social life, and the people's morale.

The municipal party committee and the municipal people's government have instructed their general offices to formulate the practical methods of implementing the rules and regulations on simplifying meetings and official activities and documents, and instructed the leading group in charge of propaganda and ideological work under the municipal party committee to formulate the specific provisions on reporting the official activities joined by the leading comrades of the municipal party committee and the municipal people's government, all of which will be put into effect after being approved. In line with the spirit of these rules and regulations and by bearing in mind their actual situation and needs, party and government organs at all levels should make an effort to improve their work style.

Tianjin Reports Positive Trade Trends

SK1711112589 Tianjin TIANJIN RIBAO in Chinese
28 Oct 89 p 1

[Text] Tianjin's foreign trade departments have walked out of the low tide of sharp increases in imports and a sudden decline in exports that had emerged in the first half of this year; they have experienced the good trend that imports are declining gradually and exports are steadily increasing. According to statistics, Tianjin's total value of imports and exports in the 3d quarter of this year amounted to \$611.75 million, registering an increase of 12 percent over the corresponding period last year. Of this amount, the value of imports reached \$202.71 million, an increase of 3 percent; and that of exports, \$409.04 million, an increase of 17 percent.

Since the beginning of last July, Tianjin's foreign trade and exports have increased continuously. On the contrary, the growth rate of imports in the 3d quarter of this year was brought under control. The decline in imports in the 3d quarter made the increased rate of imports during the January-September period drop by a large margin. Comparing the 3d quarter of this year to the corresponding period of last year, imports of power machines, paper pulp, resin, and medical and medicinal products declined substantially.

In addition, Tianjin's processing trade has maintained a good trend and has grown in a stable manner. The total

value of imports and exports in proportion to the total value of foreign trade has risen gradually with each passing quarter. At the same time, the good trend of export value exceeding import value has been maintained in Tianjin's foreign trade.

Another obvious feature of Tianjin's import and export trade in the 3d quarter is that the import structure of large commodities changed, the import of primary products increased, and the import of industrial products declined. Beside that, imports of a few commodities have increased or declined substantially. In the first half of this year, imports of aluminum and aluminum alloy, as well as copper and copper alloy, doubled and redoubled the figure of the corresponding period of last year. However, in the 3d quarter of this year, there was no importation of such materials. In the 3d quarter of this year, imports of steel products and fish powder doubled the figure of the corresponding period of last year. In the field of exports, there has been no big change. In addition, in the 3d quarter of this year, Tianjin's trade volume with major trading countries and regions, including the United States, the European Community, Canada, and Australia, increased somewhat. Tianjin's trade volume with the Soviet Union and East Europe increased by a large margin. The total value of trade between Tianjin and the Soviet Union increased by 540 percent over the corresponding period of last year.

Northeast Region

Quan Shuren, Cadres Study Plenum in Liaoning

SK1911024189 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 16 Nov 89

[Excerpts] From 13 to 16 November, the provincial party committee sponsored an enlarged meeting of its standing committee in the city of Shenyang, earnestly studying and discussing the spirit of the 5th Plenary Session of the 13th CPC Central Committee. [passage omitted]

Attending the meeting were leading comrades from the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial People's Government, and the provincial Chinese People's Political Consultative Committee; secretaries of party committees of various prefectures and cities; and a number of veteran comrades.

During the meeting, the participating comrades earnestly read the documents adopted at the work conference of the CPC Central Committee and the 5th Plenary Session of the 13th CPC Central Committee and deepened their understanding of the spirit of the 5th plenary session. In voicing their opinions, the participating comrades unanimously supported the decision adopted at the fifth plenary session on further improving the economic environment, rectifying economic order, and

deepening the reform drive and the decision on approving the resignation of Deng Xiaoping from his post of chairman of the Central Military Commission. They have profoundly understood the importance of the resignation of Comrade Deng Xiaoping from his post as chairman of the Central Military Commission in order to discard the life-long leading post system and to ensure for the country protracted order and peace. They have also recognized the importance of Comrade Deng Xiaoping's health and longevity. They have totally agreed with the high appraisal made by the fifth plenary session over Comrade Deng Xiaoping's achievements and totally trusted the collective leadership of the CPC Central Committee, whose core is Comrade Jiang Zemin. They pledged to resolutely and earnestly study the writings of Comrade Deng Xiaoping, to learn from him and his lofty moral character, Communist spirit, and rich revolutionary experience. They also pledged to uphold the party's basic line under the leadership of the CPC Central Committee and to continuously push forward the undertaking of building socialism with Chinese characteristics.

Through study and discussion during the meeting, the participating comrades obtained more overall understanding on the current economic situation; deepened their understanding on their experience and lessons gained over the past many years; upgraded their consciousness in resolutely pushing the national economy to achieve sustained, harmonious, and stable development; and further understood the importance, goal, and measures of succeeding in improving the economic environment, rectifying economic order, and deepening the reform drive. They understood the fundamental guarantee for fulfilling the goal, as well.

During the discussion at the meeting, the participating comrades also put forward many favorable opinions on how to implement the decisions adopted at the fifth plenary session in the province.

In concluding the meeting, Quan Shuren, secretary of the provincial party committee, delivered an important speech on the issue of how to deeply study and implement the spirit of the fifth plenary session in the future and how to make a success in current work. [passage omitted]

Heilongjiang To Rectify Wholesale Business

SK1811093989 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 16 Nov 89

[Text] As was learned from the provincial conference to exchange experiences in the social commerce under unified management, which concluded today, our province will clean up and rectify all categories of wholesale companies in a concentrated manner. From now on, all the commodities under exclusive state control and the portion that falls within state control of the commodities under state plans should be traded by the wholesale companies designated by the state. With regard to the necessities closely related to the people's life, the provincial government will fix the variety and the scope to be traded by the wholesale companies it designates. Wholesale companies run by production enterprises are allowed to sell only the goods produced by the enterprises themselves that exceed the amount to be purchased by the state. They are prohibited from doing wholesale business in goods not produced by themselves.

Northwest Region

Li Ping Appointed Gansu Deputy Governor

OW2911101189 Beijing XINHUA Domestic Service
in Chinese 0217 GMT 29 Nov 89

[Text] Lanzhou, 29 Nov (XINHUA)—The 11th Standing Committee Session of the 7th Gansu Provincial People's Congress, which ended yesterday, decided to appoint Li Ping [2621 5493] deputy governor of Gansu Province. The 57-year-old Li Ping was director of the Gansu Provincial Planning Commission.

Qinghai Urges Screening, Rectifying Companies

HK1711081289 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 16 Nov 89

[Excerpts] The provincial people's government held a meeting from 14 to 16 November to make further arrangements for the work of screening and setting companies in order. It was decided to disband a certain number of companies and merge some with others. [passage omitted]

The provincial leading group for work screening and setting companies in order requested that from now to the end of December, all localities and departments adopt effective measures to concentrate efforts on disbanding and merging companies and investigating and handling major economic criminal cases, working out relevant plans not later than 5 December, and basically accomplishing the task before the end of the year. The formulation of rules and regulations on management of companies should be started in the first quarter of next year to consolidate what has been achieved in screening and setting companies in order and effectively solve some problems left from disbanding and merging companies.

At the meeting, Acting Governor Jin Jipeng called on all areas and departments to: Make the effort to investigate and handle violations of law and discipline as a major task in screening and rectifying companies and carry it through to the end; concentrate efforts on making breakthroughs in some major and serious cases to push forward the investigation and handling of some cases involving law-breaking companies; give full play to the role of reporting violations of law and discipline by the masses of the people and supervision by public opinion; and make public the results of investigating and handling major cases. [passage omitted]

Shaanxi Agricultural Program Achieves Results

OW1711201489 Beijing XINHUA in English
1539 GMT 17 Nov 89

[Text] Xian, November 17 (XINHUA)—As an important aspect of the drive to "vitalize Shaanxi with science and technology," agricultural technical group contracting has achieved prominent results in Shaanxi Province.

About 20,000 people, of whom nearly 4,000 are high and middle-ranking technicians, participated in this year's agricultural group contracting program in the province. They contracted for more than 2.67 million hectares of grain, cotton and other crops much more than in previous years.

According to incomplete statistics, the province's grain output this year increased five percent over last year, while contracted grain output increased 15 percent. Contracted cotton and oil crops also enjoyed fairly big increases.

Due to the adoption and widespread use of improved varieties, standardized planting, scientific application of fertilizer and other technical measures, the output of summer crops on the contracted fields increased at a rate 20 percent higher than the provincial average. Despite the serious drought, contracted fields still had a normal autumn harvest. Some technically-contracted fields even had small increases.

The agricultural technical group contract program in Shaanxi Province is very successful in turning research results into productivity gains, providing a beneficial basis for the stable development of agriculture.

Shaanxi Province Achieves Bumper Grain Harvest

OW1711215489 Beijing XINHUA in English
1119 GMT 17 Nov 89

[Text] Xian, November 17 (XINHUA)—The total grain output of Shaanxi Province on China's northwest loess plateau has reached a record 10.35 million tons this year.

This is 519,000 tons more than last year and 115,000 tons more than in 1984, which was itself a record and marked the first time the arid province had freed itself from dependence on the state for grain.

This year Shaanxi has fulfilled its grain-purchasing target set by the state more than 30 days ahead of time.

Xinjiang Trains 1 Million Rural Young People

OW1711142189 Beijing XINHUA in English
1120 GMT 16 Nov 89

[Text] Beijing, November 16 (XINHUA)—The Xinjiang Uygur Autonomous Region has trained more than one million rural young people technically to help them improve their living standards over the past four years, the "CHINA YOUTH NEWS" reported today.

The Beijing-based newspaper said organizations of the Communist Youth League, a mass organization, have set up more than 7,000 rural training centers offering courses on cultivating fruit, vegetables and rice, as well as raising domestic animals in line with local conditions.

They have also helped a number of families to become models in scientific farming.

According to statistics, about 80 percent of the young people who have received such training have already raised their incomes.

LIAOWANG Speculates on Use of Force

HK2811133089 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 48, 27 Nov 89 pp 21-22

[Article by Yao Yiping (1202 0001 1627): "Guarding Against the Ideological Trends of 'Taiwan Independence' on the Island"]

[Text] Abstract: The international background for the emergence and development of the Taiwan independence movement is the attempt of the anti-China forces in the United States and Japan to split China and to encroach on Taiwan. The internal factors are the Kuomintang [KMT] authorities' autocratic rule and their tolerant attitude toward the Taiwan independence movement in recent years.

The elements of Taiwan independence abroad and the forces of Taiwan independence on the island collaborate with each other to devise new measures and establish open organizations to officially put forward their political propositions. These are the main characteristics of the recent activities of the Taiwan independence movement.

The current unchecked spread of the ideological trend of Taiwan independence is mostly a result of the influence of the U.S. policy on Taiwan and the evil consequence of the policy of "two Chinas" or "one China and one Taiwan" pursued by the KMT authorities.

The unchecked spread of the ideological trend of Taiwan independence will inevitably undermine the stable development in Taiwan and harm relations between the two sides and the great cause of the peaceful reunification of China.

If some people attempt to achieve "Taiwan independence" and to establish the so-called "Republic of Taiwan," the Chinese Communists will certainly make a strong response. [end abstract]

In recent years, with the reorganization of the power structure of the KMT in Taiwan, marked changes have taken place in the political situation on the island. An eye-catching fact is that the ideological trend of "Taiwan independence" is spreading and that the activities of "Taiwan independence" are developing. Recently, because the three elections of public posts to be held in Taiwan on 2 December are approaching, the forces which advocate "Taiwan independence" are running around on sinister errands and instigating the ideological trend. They are attempting to use the "elections" to break through the "taboo," so that the words and deeds of "Taiwan independence" can be made public and legalized. This will enable them to expand their influence, accumulate their strength, and wait for the opportune moment to seize state power. They attempt to separate Taiwan completely from the mainland of the motherland. The development of such a situation has arrested the close attention of various quarters inside and outside Taiwan.

The Origin and Evolution of "Taiwan independence"

The forces of "Taiwan independence" are a monster of splittism which emerged after World War II. There is a comparatively complicated internal and external background for their emergence and development. Generally speaking, after the surrender of Japan in 1945, the anti-China forces of the United States and Japan attempted to split China and encroach upon Taiwan. This was a very important international background. The long-term enslavement of the Taiwan people by imperialism and the autocratic rule of the KMT authorities and their tolerant attitude toward Taiwan independence in recent years are internal factors for the occurrence and development of the Taiwan independence movement.

It was known to all that before the end of World War II, there was no such advocacy or organization of "Taiwan independence." Taiwan compatriots always regarded the mainland as their motherland; their hearts linked to the hearts of mainland compatriots. "Taiwan consciousness," which developed because of historical reasons, was mainly a demonstration of "regional concept," rather than a "concept of splittism." The first organization of "Taiwan independence" in Taiwan was organized by the Japanese militarists. Once, after Japan's unconditional surrender in August 1945, the subordinates of the Japanese governor in Taiwan Rikichi Anto engineered a small number of militarists and traitors in Taiwan to establish an underground organization of Taiwan independence. But the activities were promptly banned. Later, with the split between the two sides and the development of the international situation, the "Taiwan independence" movement has sprouted, emerged, and developed up to the present day. In 1951, Liao Wen-I established Taiwan's "Democratic and Independent Party" in Tokyo. In September 1955 and in February of the next year, he successively put together the "Provisional Parliament of the Taiwan Republic" and the "provisional government" to flaunt openly the banner of "Taiwan independence" in the world. After the mid-1960's, organizations of "Taiwan independence" occurred in North American and Europe one after another. The center of their activities gradually moved from Japan to the United States. Up to now, the United States is still the center of the activities of "Taiwan independence" organizations abroad. The headquarters of the worldwide "Taiwan Independence Federation," which was established in early 1970 and is the base camp of "Taiwan independence," is located in the United States. On the island itself, with the changes of the U.S. policy on China, some activities of "Taiwan independence" also occurred successively. For example, in 1964 professor of Taiwan University Peng Ming-min and others secretly drafted a "declaration of Taiwan independence." In the early 1970's, the "Presbyterian Church" of Taiwan made a "statement on national affairs" on several occasions to preach "self-determination of the residents" and the "establishment of a new, independent country." Because the KMT authorities adopted a stern and hardline attitude toward

"Taiwan independence" for a long time, "Taiwan independence" movement on the island achieved little in more than 30 years. In the early 1980's, some "non-party" persons on the island began to openly contact those elements of "Taiwan independence" abroad to preach the theory on "self-determination of the residents." However, before the death of Chiang Ching-kuo, the "non-party" persons in Taiwan did not dare to definitely put forward the advocacy of "Taiwan independence." After the lifting of the martial law in 1987 and the death of Chiang Ching-kuo in particular, the ideological trend of "Taiwan independence" began spreading on the island. The opposition forces which advocate "Taiwan independence" are increasingly active.

The Taiwan Independence Movement Is Brought Into the Open on the Island

In recent years, "Taiwan independence" elements abroad and the opposition forces on the island which advocate "Taiwan independence" have gradually collaborated with each other. Making use of the changes in the political environment after the lifting of martial law and the "rivalry between the ruling and opposition political parties," they "increasingly promote" the advocacy of "Taiwan independence." The forces on the island which preach "Taiwan independence" have developed and that they are swollen with arrogance.

They have borne the following characteristics.

—Publicly setting up "Taiwan independence" organizations. The "Taiwan Independence Federation," whose headquarters is in the United States, claimed that it has established "branch offices" in Taiwan and will publish its secret membership at a suitable time. Last year, a "Taiwan independence" organization was established, namely the "Taiwan Country-Founding Federation." Particularly eye-catching is the recently established "New Country Alliance" with Yao Chia-wen as the general covenantor. The alliance has elected 32 people to participate in the three elections of public post to be held in Taiwan toward the end of the year.

As a formal political appeal. In recent years, some opposition figures have extended the advocacy of "Taiwan independence" to the Taiwan political stage. Not only are there people lobbying island-wide for a so-called "New Country Movement," but the voice of "Taiwan independence" has been heard in Taiwan's Legislative Yuan. The opposition forces advocating "Taiwan independence" are continually preaching for a "new constitution," electing a "new parliament" and building a "new country." Recently, Lin I-hsiung, who was convicted in the "Kao-hsiung Incident," returned to Taiwan from the United States and published in the INDEPENDENT EVENING POST a "Draft Basic Law of the Taiwan Republic." According to reports there have been four to five drafts of the so-called Taiwan "new constitution." The "New Country Alliance" has gone to such lengths as to suggest publicly taking the

"new constitution," "new parliament" and "new country" as the common election platform and building the "Taiwan state" into an "Oriental Switzerland."

—The joining together of overseas and domestic forces to plan new steps. At present the major activity grounds of "Taiwan independence" forces are moving from overseas back to the island. A large number of "Taiwan independence" elements are returning to Taiwan to merge with the opposition forces advocating "Taiwan independence" and are starting to foment troubles. At the annual meetings of the "World Association of Taiwan Countrymen" both this year and last, the association launched a forceful publicity campaign and speech tours for "Taiwan independence." Some of the overseas Taiwan independence elements are planning to extend activities for "Taiwan Independence" further. The heads of the "Taiwan Independence Federation" stated that "following the publicity campaigns in the last few years for 'self-determination by residents,' 'Taiwan independence,' and drafting a new constitution and setting up a new parliament," the time for Taiwan to "plan for a political environment with Taiwanese as the main body" and for people to "support and participate in various ways in the Taiwan independence movement on the island so that Taiwan can become internationally a new and independent state" is now. The island's opposition forces advocating "Taiwan independence" have also stated: "Taking full advantage of the situation, doing everything according to the situation, and highlighting the subject of 'Taiwan independence'—this by itself is already a very good movement." These opposition forces pointed out that "Taiwan's future political change" will render "the appearance of a 'Taiwan state' which is drafted today." The facts detailed above fully demonstrate that both in understanding and actions, there is now not much difference between the overseas "Taiwan independence" elements and the island's opposition forces advocating "Taiwan independence."

The Background of Flood of Thought of Taiwan Independence

At present, the flood of "Taiwan independence" thoughts on the island has a profound internal background as well as an external one.

1. The consequences of the U.S. policy toward Taiwan. The "double-track policy" adopted by the United States has been an important international factor for the existence and development of "Taiwan independence." The "Law of Relations With Taiwan" formulated by the United States is in fact a recognition of Taiwan as an independent political entity. In recent years, the United States has been exerting pressure on the Taiwan authorities in order to press Taiwan to quicken its pace in such activities as "making Taiwan political power Taiwanese," greatly encouraging the elements advocating Taiwan independence and the opposition forces on the island who also advocate "Taiwan independence." Some

important political figures in the United States and some academic institutions there have openly supported "self-determination by residents" of Taiwan and "Taiwan independence." For example, the "Tradition Foundation," an influential think tank in the United States, published an article openly declaring that "should the PRC attack Taiwan" or if it is indicated that the absolute majority of Taiwan people agree to "Taiwan independence" through votes, then the United States should also agree that Taiwan becomes a "sovereign state" separate from China.

2. Changes in the political environment on the island. Since Chiang Ching-kuo's death, there have been important changes in power structure at the senior level of the Kuomintang in Taiwan, and the pace in democratization and localization has been quickened as a result. Today, Taiwan is at the "stage of political change," and public authority and public credit is being reduced; the new Taiwan authorities have adopted a lenient attitude toward the voices and actions favoring "Taiwan independence" and have not solemnly handled them according to law to the extent that the forces advocating "Taiwan independence" have gradually secured space for open activities.

3. The adverse consequences of the policy of "two Chinas" and "one China, one Taiwan" adopted by the Kuomintang. In recent years, the Kuomintang has actively pursued "flexible diplomacy," and engaged in "double recognition" in an attempt to secure an "international personality for Taiwan independence." This indeed is a movement for "two Chinas" or "one China, one Taiwan." Therefore, some opposition forces advocating "Taiwan independence" pointed out that "many policies adopted by the Kuomintang are in fact the policy for Taiwan independence, but the 'independence' advocated by the ruling authority is a kind of pretend 'independence' full of weaknesses." "What we are doing is to unveil this trick, and to provide a better plan of Taiwan independence for the society to make reference to." It is precisely because the Taiwan authorities have pursued the above-mentioned policy that their internal strife has become intensified, and that they could not righteously refute the idea of "Taiwan independence" or check the development of thought of "Taiwan independence."

The Negative Influences of Taiwan Independence

The flood of thought of "Taiwan independence" on the island will cause some very bad influences to the development of relations across the strait and for the Taiwan authorities.

1. To some extent, it will disrupt the stable development of Taiwan. At present, Taiwan is at the stage of political change, transforming itself from the despotic and totalitarian "anticommunist martial law system" to an "incomplete" form of "democratic politics." Owing to the escalation of speeches and activities for "Taiwan independence," the ruling authority in Taiwan has been

"shaken." This will necessarily intensify the "struggle between reunification and independence" and cause a tense relation between the Kuomintang and the opposition forces. Under external and internal pressure, the Kuomintang will find that it cannot tolerate the open activities for "Taiwan independence," which will weaken and shake the foundation of its rule. Recently, the Kuomintang authorities have announced that "any words or activities advocating 'Taiwan independence' must shoulder legal responsibility," and that the persons involved will be investigated and prosecuted. This will cause opposition or even conflict between both sides, and bring about "chaotic" clashes in the election for government posts in the end of this year, making Taiwan's already confused situation at the stage of political change even more confused and jeopardizing the stable development of Taiwan in every aspect.

2. It will bring about jeopardies to the development of relations across the strait. In the past few years, relations across the strait have become less tense, and various exchanges, including visits by relatives across the strait, have developed; this is beneficial to China's reunification and is in conformity with the interests of the Chinese people. "Taiwan independence" or the "Republic of Taiwan" will not be permitted by the PRC authorities and will not be accepted by the absolute majority of compatriots in the mainland. If it really happens, the PRC authorities must respect the will of the people in the whole country and react forcefully; this, I am afraid, would not be for the well-being of the people in Taiwan. At present, some people in Taiwan think that by relying on the factors such as support from the United States, even if Taiwan announces independence, the PRC will not "dare to use force." This is a very dangerous thought. To conclude, "Taiwan independence" can only bring disaster to Taiwan people, not welfare.

3. It will increase difficulties for the opposition forces. The radical advocates of "Taiwan independence" can only create a "bad image" for themselves and their allies, scare away some people, and lose some votes in the election to be held at the end of this year. At the same time, they can only cause disputes and internal strife within the opposition forces or even within the Democratic Progressive Party to the extent that their normal growth is affected. It should be said that, at present, the absolute majority of Taiwan people do not want to see Taiwan in turmoil. Although they have "Taiwan consciousness," they do not necessarily support "Taiwan independence." Therefore, even an important figure of the opposition force said that to appeal for "Taiwan independence" in the approaching election for public posts is "unwise."

In conclusion, "Taiwan independence" is not a through road, but a disastrous road. Judging from the international law, the problem of ownership of Taiwan has already been solved beyond dispute, and no doubt or challenge will be permitted. Considering the interests of the Chinese nation and the development of normal relations across the strait, the ruling parties and parties

across the strait should explicitly, unswervingly, and resolutely oppose the idea of "Taiwan independence." They must adopt necessary measures to check the development of thought of "Taiwan independence." Judging from the viewpoint of historical development, China is doomed to reunification. At present, the chance and conditions for

China's peaceful reunification are not available, but efforts must be made in enhancing conditions across the strait, not in opposing enhancement of these conditions. The country's reunification is an inevitable historical trend and the idea of "Taiwan independence," which goes against the trend, will eventually collapse.

Hong Kong

Paper Views XINHUA Treatment of Issues

HK2711121889 Hong Kong TANGTAL in Chinese No 1, 25 Nov 89 pp 14-15

"[Article Collectively Written by Staff Reporters: How Does the Hong Kong Branch of XINHUA NEWS AGENCY Deal With the Situation in the Territory After the June 4th Incident?"]

[Text]Never Relaxing Political Grip and Stabilizing the Supporting Force Are the Two Main Aspects of the Recent Work of the Hong Kong branch of XINHUA NEWS AGENCY

The strong reaction of the Hong Kong people to the "June 4th incident" in Beijing was far beyond the expectation of the CPC. What measures must be taken to reassure the people and deal with the situation in the territory? This can be regarded as a great test for the Hong Kong branch of XINHUA NEWS AGENCY.

It was learned that after the "June 4th incident," the Beijing authorities held a high-level meeting to discuss specially the issue of Hong Kong. According to previous practice, when something happened at home, the central authorities would generally deal with the domestic situation first. After that, they would set their eyes on the Hong Kong issue. But things were handled differently after the incident. In mid-June, the central authorities promptly held a meeting to discuss the Hong Kong issue. This showed that the higher leadership stratum of the CPC truly paid attention to the reaction Hong Kong people had to the "June 4th incident."

The meeting was presided over by Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council, and attended by such ministries as the Ministries of Foreign Economic Relations and Trade, Ministry of Public Security, Ministry of State Security, Ministry of Finance, and so on. Relevant persons from the Hong Kong and Macao Affairs Office, and Xu Jiatun, the director of the Hong Kong Branch of XINHUA NEWS AGENCY, who made a special trip to Beijing, were also present at the meeting. The agenda of the meeting covered the following five main items:

1. How to continue the work of drafting the Basic Law for Hong Kong?
2. How to handle those "rebellious" leftist organs in Hong Kong, and the problem of WEN WEI PO in particular?
3. How to handle Hong Kong's economic problems?
4. How to appraise the development of the situation in Hong Kong?
5. How to control the trends of public opinions in Hong Kong?

Although the Hong Kong branch of XINHUA NEWS AGENCY openly denied such a meeting, we can still get some clues from the denial. They denied that the meeting was presided over by Li Peng and that it was

attended by persons from the ministries mentioned above. But they never denied the contents of the meeting. Clear-headed persons knew that there was an insinuation in it.

What should be mentioned here is that before making his trip to Beijing, a 6-hour inner meeting was held by the Hong Kong branch of XINHUA NEWS AGENCY to discuss specially the incident of WEN WEI PO. At the meeting, some people proposed specific measures for handling the matter. We put this topic aside for the time being here.

At the meeting held in Beijing, the highest leadership stratum of the CPC reached identical opinions on the way to handle the Hong Kong issue. A report on the meeting was later submitted to Li Peng. This was the reason why some Hong Kong newspapers wrongly reported that the meeting was presided over by Li Peng. (Some newspapers say that Li Peng made a brief appearance at the meeting).

Four Focal Points of the Recent Work

In accordance with the spirit of the meeting and the development of the situation in Hong Kong, the Beijing authorities have recently summed up the work for Hong Kong in the following four focal points:

- 1) No more concessions will be made on the Basic Law.
- 2) Those democrats must be forcefully suppressed.
- 3) Industrial and commercial circles must be stabilized.
- 4) A firm control must be exercised over those subordinate organs.

In a word, a comparatively hardline attitude must be taken. In addition, united front work must be strengthened to offset the influence of the "June 4th incident." A responsible person of the Coordinated Section (namely, a working committee under the United Front Work Department) of the Hong Kong Branch of XINHUA NEWS AGENCY said: With the June 4th incident, our united front work must start from scratch. This showed the seriousness of the matter. Never relaxing its political grip and stabilizing the supporting force are the two main aspects of the recent work of the Hong Kong branch.

This is truly very strenuous work, and working personnel of the Hong Kong branch are trying their best to accomplish the task. Opinions differ with regard to the results of their work. Here we would like to describe the state of minds of the working personnel of the Hong Kong branch of XINHUA NEWS AGENCY. They basically fall into three major categories: I) Some follow closely the central authorities whether they are right or wrong, or even mentally accept what Beijing has done; II) some privately doubt what Beijing has done, but do not dare to express their real views because of their special status. When talking with other people in private, they try to avoid revealing their awkward situation. But they intentionally or unintentionally relax their efforts in the course of implementing the relevant policy; III) some simply refuse to bother with affairs of state. Some

persons belong to the fourth category, although their number is very small. They are more open-minded. A young research worker who was a student of Yan Jiaqi belongs to such category. But he has been transferred back to Beijing (according to another report, he went back to Beijing after the expiry of his term of office).

While carrying out the tasks assigned by Beijing, the Hong Kong branch has paid attention to the working skills. The specific method they adopt is: If the instructions issued by Beijing are firm and definite, they implement them resolutely. Otherwise, they will implement them in light of different local conditions. They try to shorten the battleline or narrow the targets of attack. They understand that the tougher the policy, the more harmful it will be to Hong Kong.

For example, before the occurrence of the "Yang Yang incident," many holders of the two-way visit permits refused to return to China after the expiry of their travel documents. The Hong Kong branch also knew that the Hong Kong Government had failed to fully enforce the agreement signed by both sides in 1982. But they simply ignored all this. However, after the "Yang Yang incident" was brought into the open, they could not but take a hardline attitude to handle the matter. During the period of "June 4th incident," Beijing was unhappy with the behavior of some personages stationed in Hong Kong. Beijing instructed to send them back. However, considering that some of them were working in the commercial field, and that sending them back immediately would produce a bad influence both at home and abroad, the Hong Kong branch let them stay in the territory until the date due.

Later, when the "Ma Chi incident" occurred, the Hong Kong branch received instructions of not "meddling in the matter, or making any statement." Ma Chi returned to China before the expiry of her visa and the matter ended up with nothing definite.

Another example was that shortly after the "June 4th incident," it was announced that diplomatic persons stationed abroad must again go through exit formalities, and that they must obtain exit permits issued by the Ministry of Public Security. This announcement disturbed personages stationed in Hong Kong. The Hong Kong branch was compelled to carry on negotiations with the relevant organs at home so that those persons stationed in Hong Kong could get their exit visa locally. This eventually set the minds of those persons stationed in Hong Kong at ease.

No More Concessions for the Drafting of the Basic Law and Those Democrats

Generally speaking, the Hong Kong branch has been implementing a hardline policy. As we have mentioned above, this has been reflected in the fact that efforts are made to suppress the democrats forcefully, and that no more concessions will be made with regard to the drafting of the Basic Law.

As early as 18 June this year, at a meeting on the Hong Kong issue, Ji Pengfei, director of the Hong Kong and Macao Affairs Office, pointed out: It is not permissible to turn Hong Kong into an anticommunist base. He also stressed that people in Hong Kong have misunderstood the Basic Law. This set the tone for the work in the future.

According to insiders, the policy that "it is not allowed to turn Hong Kong into an anticommunist base" is aimed at curbing the activities of those prodemocracy activists in first, the United States; second, Taiwan; and third, Hong Kong and other countries. However, considering overall strategies of the diplomatic and united front work, the CPC refrains from directly mentioning those prodemocracy activists in the United States and Taiwan. Such being the case, prodemocracy activists in Hong Kong have become more prominent. But the objective result of the policy is that people in Hong Kong believe that the spearhead of attack of the CPC is directed against the Hong Kong people. This further dampened their confidence in Hong Kong.

The CPC cannot tolerate those prodemocracy activists in the United States and Taiwan, or the opposition force in Hong Kong. It was revealed that at a meeting of the Sino-British Joint Liaison Group recently held in London, the Chinese side hinted that the British could play its role in curbing the opposition force in Hong Kong (using a fine-sounding term "in the interest of the stability of Hong Kong"). It mentioned for the first time the "Hong Kong Alliance for the Support of the Democratic Movement in China." In addition, after a signed article by Ai Zhong, which was published in RENMIN RIBAO and criticized responsible persons of the "Hong Kong Alliance for the Support of the Democratic Movement in China" Szeto Wah and Martin Lee without directly mentioning their names, arrangements have been actively made to suppress the democrats in Hong Kong. Two leftist newspapers in Hong Kong published signed articles on the same day accusing the activities of the "Alliance" of opposing the central authorities. They also revealed the intention of Beijing—the "Alliance" must disband. Thereafter, whether the "Alliance" must disband has become a popular topic in the Hong Kong society. Some of the attacks were launched by the Hong Kong branch of XINHUA NEWS AGENCY. In the meantime, when the NPC Standing Committee held a meeting in Beijing, it announced that the work of Szeto Wah and Martin Lee in the Basic Law Drafting Committee was suspended. This was a more obvious move to suppress the democratic movement in Hong Kong.

Civil Servants Face Nationality Dilemma

HK2211024389 Hong Kong SOUTH CHINA
MORNING POST in English 22 Nov 89 p 5

[By Fanny Wong]

[Text] Ho, g Kong Chinese civil servants working in the post-1997 Special Administrative Region government

may not be allowed to renounce their Chinese nationality even if they have a foreign passport, according to the Nationality Law of the People's Republic of China.

Under Article 12 of that law, state functionaries and military personnel on active service shall not renounce Chinese nationality.

Enacted in September 1980, the Chinese nationality law does not specify whether Hong Kong civil servants would be classified as state functionaries.

However, analysts said it was generally understood that Article 12 would apply to Hong Kong public servants.

Articles 9 and 10 of the law state that Hong Kong Chinese who have acquired a full British passport without actually settling in the United Kingdom would have to apply to the Chinese Government for permission to renounce their Chinese nationality.

But in the case of civil servants, as stated in Article 12, it would mean that they would be barred from filing such applications.

Political commentator Dr Joseph Cheng Yu-shek said that if Britain granted Hong Kong people full British citizenship under its planned nationality package, local civil servants who benefit would have dual nationality.

As civil servants were publicly accountable, those holding full British passports might have to publicly declare their nationality as a show of allegiance, Dr Cheng said.

Senior Chinese official, Mr Li Hou, has already indicated China's concern at Hong Kong people's loyalty to the future sovereign and that it would not tolerate dual nationality.

"If there are a lot of Hong Kong people who hold a foreign passport, there will be the problem of allegiance. Should they pay allegiance to China or the countries that issued the passports?" said Mr Li, who is a deputy director of the Hong Kong and Macao Affairs Office under the State Council.

Dr Cheng said the more that China stressed allegiance, the more civil servants would be tempted to exercise their right to leave Hong Kong before 1997.

Mr Albert Chen Hung-ye, senior lecturer in law at the University of Hong Kong, said that at the time the Chinese nationality law was drafted, it had not taken into account the Hong Kong situation.

The Sino-British Joint Declaration had not been signed then, he said.

"To what extent Article 12 will apply to Hong Kong is not known," Mr Chen said.

It is stipulated in Annex 1 of the Joint Declaration that top government posts, such as branch secretaries and the heads of major government departments, will have to be filled by Chinese nationals.

The British nationality package due to be announced soon is widely expected to offer full British passports to mainly top officials and officers who hold a sensitive post.

In light of the requirements set in the Chinese nationality law, Mr Chen said it would mean experienced Hong Kong officials could still hold the top posts even if they held a foreign passport.

The fact that they would not lose their Chinese nationality automatically or were not allowed to renounce their Chinese nationality could be a possible advantage, Mr Chen said.

"But whether China would appoint them is a matter of policy," he said.

However, Mr Chen believed China had to clarify whether state functionaries included Hong Kong civil servants.

Senior Non-Expatriate Association chairman William Ko Chan-gock said that at present he did not think Article 12 would adversely affect his members.

The purpose of the British scheme was to offer an insurance policy to civil servants, Mr Ko said.

This would make China more conscious that it had to do whatever it could to ensure that Hong Kong people would not leave.

Basic Law Drafting Committee Members Meet

*OW2211142689 Beijing XINHUA in English
1246 GMT 22 Nov 89*

[Text] Guangzhou, November 22 (XINHUA)—More than 40 members of the Consultative Committee for the Basic Law of the Hong Kong Special Administrative Region met with nine members from the mainland and one member from Hong Kong of the law drafting committee here yesterday and today.

They exchanged views on the relationship between the central government and the Hong Kong Special Administrative Region, the political system, economy, education, science and culture of the region, and the fundamental rights and duties of the Hong Kong residents.

Editorial Criticizes Mainland's Subversion Charge

*HK2211015789 Hong Kong SOUTH CHINA
MORNING POST in English 22 Nov 89 p 18*

[Editorial: "Subversion Claims Add to Uncertainty"]

[Text] China yesterday repeated its claims that Hong Kong is being used as a base for subversion against the

Beijing leadership. Mr Li Hou, who has acted as the front man for the mainland's outspoken criticisms of Hong Kong and Britain in recent days, kept up the propaganda offensive in Guangzhou by alleging that unspecified "foreign organisations" are using the territory to interfere in China's domestic affairs. If Mr Li has evidence to that effect, he should produce it, rather than make vague assertions that do nothing to heal the rift created by the June 4 massacre in Beijing.

Hong Kong legislators in Guangzhou on Basic Law business opposed the suggestion that a new clause should be inserted to counteract subversion. Groups or individuals in the territory are at present free to pursue their beliefs and goals until they break the law. That degree of liberty could be restricted under China's definition of subversion, which may not accord with the territory's understanding. It is a grey area which needs to be clarified by the two sides before provisions are added to the Basic Law that may be seen in Hong Kong as constraints on the freedoms of residents of the post-1997 Special Administrative Region.

Both the draft Basic Law and the Joint Declaration state that laws against sedition now in effect in the territory will be honoured after 1997. Hong Kong already has the Public Order Ordinance, which contains such wide powers to control political activities that it has become a focus for legal debate. No large demonstrations in Hong Kong are permissible without the consent of the authorities under that law.

Under the Chinese legal system, accusations of "counter-revolutionary" offences are tantamount to charges of treason. Subversion in English law is an extreme act in which a person actively collaborated with foreign governments or known terrorist groups. In China, as events since June have shown, a "counter-revolutionary" may be no more than someone telling a foreign television news reporter a story which the authorities consider scurrilous or merely untrue.

Should China push through a clause on subversion as it understands the term, then it may contravene Article 32 of the draft Basic Law which states that "Hong Kong residents shall have freedom of association, of assembly, of procession and of demonstration."

As ever, there is enough ambiguity in the rash of statements from the mainland to allow conflicting interpretations over what is actually intended, but every time China talks of imposing arbitrary additions to the Basic Law, it diminishes confidence in the "one country, two systems" principle for Hong Kong's future. In the war of words dragging on between London, Beijing and Hong Kong, the peace of mind of the Hong Kong people seems to be a very low priority. Interestingly, however, there has been little reaction this week from the Hong Kong stock market, which is a comment in itself on current attitudes.

Macao

Guangdong Hosts Banquet for Committee Members

HK2111033689 Guangzhou Guangdong Provincial Service
in Mandarin 0040 GMT 20 Nov 89

[Text] The provincial people's government gave a banquet at the White Swan Hotel last night in honor of those who came to Guangzhou to attend the third plenary session of the Basic Law Drafting Committee of the Macao Special Administrative Region.

On behalf of the Guangdong Provincial People's Government, Governor Ye Xuanping proposed a toast to the session and extended a warm welcome to the visiting members of the committee. He said: The session will be an important meeting to discuss and approve the structure of the Basic Law for the Macao Administrative Region and set up some special groups responsible for drafting different chapters of the Basic Law. The session will certainly lay a good foundation and provide a favorable guarantee for drafting a Basic Law for the Macao Special Administrative Region, which will reflect the one country, two systems policy; win the approval of the Chinese people, including Macao residents; and promote the social stability and economic development of Macao.

On behalf of the Basic Law Drafting Committee of the Macao Special Administrative Region, its vice chairman, Ma Wanqi, delivered a speech at the banquet. He thanked the relevant departments of Guangdong Province for their help.

END OF

FICHE

DATE FILMED

1 Dec. 1989

